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CONTENTS

Latin America

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ARGENTINA

Foreign Debt Negotiations Reportedly Break Down B 1
Aguirre Lanari Talks to Press on Arrival From UN B 1
Political, Union Leaders on UN Resolution B 2
Air Force Commander Hughes To Visit Peru B 3
Interior Minister Sees No Coups; Scores Press B 3
[BUENOS AIRES HERALD 6 Nov]
Memorandum Details Government Censorship B 3
[BUENOS AIRES HERALD 9 Nov]
QUORUM Editor Explains Airport Incident B 4
[BUENOS AIRES HERALD 6 Nov]
Public Works Minister Comments on Mideast Visit B 5
CP Proposes Program for 'Return to Democracy' [Havana] B 5
Yacyreta Project Cost Now Up To $10 Billion B 5
[BUENOS AIRES HERALD 5 Nov]
Labor Leader's House Attacked, No Casualties B 6
Bomb Blast Damages High Rise in Buenos Aires B 6

BOLIVIA

President Announces Economic Measures to Nation C 1
Lechin: Measures Not Positive C 11
FRI Lambasts Measures C 12
Transportation Paralyzed C 12
Central-Southern Miners Strike C 12
Decree Issued on New Exchange Measures C 13

BRAZIL

Bahamas Foreign Minister To Sign TIAR, Hold Talks D 1
PDS Leader Killed in Belo Horizonte 6 Nov D 1
Briefs: Petrobras Shale Plant; D 1
EEC Loan Contract Signed;
Inter-American Agriculture Institute

CHILE

Commission Appointed To Deal With Exiled Citizens E 1
Navy Chief To Depart for Uruguay 11 November E 1
Briefs: Economic Statistics E 1

MEXICO

Panama's President de la Espriella Arrives 8 Nov M 1
Lopez Portillo's Welcome M 1
De la Espriella Speech M 1
Cuba's Rodriguez Arrives for Decoration Ceremony M 2
Socialists Assail Alleged U.S. Plans Against Area M 2
Lopez Portillo Defends Bank Nationalization M 3

PANAMA

Amado on Falklands, President's Trip, Investment N 1
Spadafora Criticizes Cubans in Nicaragua N 1
[LA ESTRELLA DE PANAMA 7 Nov]
Communists Urge End to 'Military Dictatorship' N 4
[LA PRENSA 6 Nov]
Silence on U.S. Treaty Violations Criticized N 5
[LA REPUBLICA 7 Nov]
Canal Official on Higher Profit, Pipeline Effect N 5
New Supreme Court Magistrates Appointed N 6
[MATUTINO 6 Nov]

CENTRAL AMERICA

COSTA RICA

Monge Criticizes Nicaraguan Arms Buildup P 1
Deputy Criticizes Release of Anti-Sandinist P 1
Public Security Ministry Cancels Arms Permits P 2

EL SALVADOR

Government Sources Deny Rumors of Aborted Coup P 2
Political Parties Reportedly Form Coalition P 3
PCN Denies Reported Parliamentary Coalition Plan P 3
AD Leader Views FMLN-FDR Dialogue Proposal P 4
[EL MUNDO 5 Nov]
Treasury Police Create Operational Command P 4
Coprefa Announces Routine Officer Transfers P 5
Rivera y Damas Comments on Political Dialogue P 5
[Radio Venceremos]
Further Remarks [Havana] P 6

GUATEMALA

Spokesman Defends President, Government P 6
Bank of Guatemala President Presents Report P 7
[PRENSA LIBRE 27 Oct]
Religious Group Labels Government 'Illegitimate' P 8
[Havana]
EGP Guerrilla Discusses Recent Actions [Havana] P 9

HONDURAS

Prisoner Accuses DNI of 'Savage' Torture P 10
[LA TRIBUNA 4 Nov]
DNI Denial [LA TRIBUNA 5 Nov] P 10
Official Sees 'Defect' in U.S. Sugar Policy P 11
[EL HERALDO 3 Nov]
TIEMPO Views Possible Changes in Armed Forces P 11
[4 Nov]

NICARAGUA

Foreign Ministry Protests Attacks From Honduras P 12
Party Leaders on 'Imminent U.S. Intervention' P 13
[EL NUEVO DIARIO 3 Nov]

Planning Minister Reads FSLN Report 7 Nov P 14
Further Remarks P 16
Panamanian President Stops Over for Talks P 17
Meets With Officials P 17
Departs for Mexico P 18
ICFTU Delegation Visits, Meets Labor Minister P 18
[EL NUEVO DIARIO 3 Nov]
PSC Condemns Alleged U.S. Actions in Region P 20
Ramirez Addresses National Bank Workers P 20
'Line of Containment' of Indian Areas Charged P 21
[Voice of Sandino]

CUBA

PRAVDA Publication of Castro Message Noted Q 1
65th USSR Great October Anniversary Marked Q 1
Ramiro Valdes Speech Q 2
USSR Embassy Reception Q 4
Armed Forces Ceremony Q 4
Souphanouvong Visits Pioneer Palace, Museums Q 4
Tobacco Union Workers Begin Fifth Congress Q 4
Roca Concedes Crop Damage Q 5
Congress Closes Q 5

DOMINICAN REPUBLIC

Peruvian Embassy Occupation Ends Peacefully R 1
Government Bails Out Detained Fishermen R 1

CARIBBEAN

GRENADA

Bishop Calls for Caricom Regional Integration S 1

FOREIGN DEBT NEGOTIATIONS REPORTEDLY BREAK DOWN

PY081317 Paris AFP in Spanish 1229 GMT 8 Nov 82

[Text] Paris, 8 Nov (AFP) -- Reliable bank sources in Paris announced today that the round of negotiations between Argentina and international bankers that was held last week in New York regarding the granting of an urgent $1.1 billion loan has failed.

Argentina, whose external debt amounts to $40 billion, is currently unable to comply with its commitments (41.7 billion) and it is not even paying a part of the interest that it owes its creditors, the banking sources stated.

AGUIRRE LANARI TALKS TO PRESS ON ARRIVAL FROM UN

PY081423 Buenos Aires Domestic Service in Spanish 1030 GMT 8 Nov 82

[Text] Argentine Foreign Minister Juan Ramon Aguirre Lanari, who headed the official Argentine mission to the UN General Assembly, has returned to Buenos Aires from New York. Upon his arrival, the Argentine foreign minister held a press conference. The following is what he said:

[Begin Aguirre Lanari recording] I would like first of all to express my gratitude to all Latin American sister nations, not only for signing the resolution but also for their active work [words indistinct] that had to be undertaken and which fortunately yielded fruitful results.

Moreover, I wish to thank all those who have assisted me at the Foriegn Ministry, the ambassadors from the many countries that have supported us and particularly the [word indistinct] people at the United Nations headed by Ambassador Muniz and Ambassador Garcia del Solar who played a preponderant role in achieving this great success. [end recording]

Asked to what extent this diplomatic victory depends on the steps to be taken by Argentina to achieve democracy, the Argentine foreign minister noted:

[Begin recording] [Aguirre Lanari] Undoubtedly, anything that is done by Argentina to achieve this goal will have a favorable impact.

[Question] [Words indistinct] Mr Foreign Minister, what can be expected in the next few months if the United Kingdom refuses to negotiate?

[Answer] I believe that [words indistinct] all the proper time, it will do what has to be done. At any rate if Great Britain refuses to negotiate this is a burden that will have to be borne by the conscience of not only the UK Government but also of the people of that country. Therefore, I believe that we have taken an important step forward and that we have to continue struggling for our rights. [end recording]

Asked by one of the journalists to what he attributed the favorable U.S. vote, Aguirre Lanari answered:

[Begin Aguirre Lanari recording] I believe that the United States has carefully evaluated its position. We know that there was a great struggle within the Department of State since there were mixed opinions, but fortunately for us the United States has adopted the proper position. [end recording]

POLITICAL, UNION LEADERS ON UN RESOLUTION

PY082344 Buenos Aires DYN in Spanish 1427 GMT 5 Nov 82

[Text] Buenos Aires, 5 Nov (DYN) -- The result of Argentina's request that the Malvinas issue be discussed at the UN Assembly and the UN approval of the resolution urging the two parties in conflict to start negotiations has prompted a wide variety of opinions which range from various degrees of satisfaction to some disappointment among political and union leaders.

Enrique Vanoli [member of the Radical Civic Union -- UCR] termed the UN resolution as a "short step forward" to the recovery of sovereignty over the Malvinas Islands. Vanoli pointed out that "obtaining the approval of the Latin American-sponsored resolution was not an easy task because Great Britain exerted great pressure on all the countries which, in some way, maintain trade relations with it. Therefore, the victory is even more important."

The UCR leader said that "I have read in the newspapers that some want a faster way to solve the problem, but I think that for the time being the resolution is a feasible means and that we cannot expect much more. We Argentines want to negotiate because we have no other alternative. In this way and with time, when we have a democratic government, Argentina will be able to recover the Malvinas Islands."

Union leader Enrique Venturini, (naval electricians -- CGT [General Labor Confederation] Azopardo Street) stated that "the UN decision is important" and added that "behind this we can see the powerful hand which formed blocs within countries and within the western world, because despite the ties which unite us -- except for Spain -- the remainder of Europe and especially the members of NATO, through their abstention, voted against the resolution." "Nevertheless," he added, "we must admit that the U.S. position of trying to smooth over the rough edges created by their previous position has been very important."

Venturini stated that "the solidarity of Latin American countries and the real economic circumstances of the islands will force the United Kingdom to negotiate sincerely in the short run with Argentina the return of the islands." Venturini added that the Malvinas war has been very costly to us, and as merchant marines the feeling is also profound because we lost 16 companions who died in the Islas de los Estados and in Narwall, while trying to fulfill their duties as Argentines and workers."

Federal Party leader Francisco Manrique stated that "as an Argentine I feel satisfied because we have begun to recover positions for good negotiation."

Oscar Alende, president of the Intransigent Party, stated that the Multiparty Group "has unanimously approved an Intransigent Party proposal the contents of which are different from what was approved. That is, a text which repeats what was expressed by the Latin American and nonaligned countries." Allende added that "this is the opinion of the majority of the Argentine people, and unfortunately the events which took place in the Malvinas led to the reiteration of a request to continue the talks with Great Britain, and experience has so far indicated that (Margaret Thatcher) refuses to do so." Alende concluded by saying that "what was obtained at the UN General Assembly is much less than what Argentina can get."

Manuel de Anchorena, former Argentine ambassador to Great Britain and Justicialist leader, stated that "this resolution can be considered positive, because a resolution on the contrary would have been worse, although fundamentally it is the same as what was achieved in 1965."

He added, however, that "this resolution is highly positive because through it we have achieved the support of the majority, and especially of countries such as the United States, the PRC and the Soviet Union, and at least there is a better profile now than what we had a month ago." The former ambassador concluded by saying that the international concert of nations will not give us their full support or demand the return of what is ours -- sovereignty over the Malvinas -- while there is a military government in our country."

Former provisional government and Justicialist leader Italo Luder stated that "Argentina has tried hard in the diplomatic field to regain positions it lost in the recent war." He said that "his work at the United Nations has been very hard" and added that he "had to change his resolution proposal to obtain the votes just received at the United Nations." Luder claims that "we are in the same place as in 1965 when the United Nations urged Argentina and Great Britain to begin negotiations, but I see that this is a step forward in this lengthy diplomatic struggle we have ahead of us."

AIR FORCE COMMANDER HUGHES TO VISIT PERU

PY081531 Buenos Aires Domestic Service in Spanish 1030 GMT 8 Nov 82

[Text] The Argentine Air Force commander will pay an official visit to Peru from 12 to 18 November. Gen Augusto Jorge Hughes will visit Peru in response to an invitation extended by his Peruvian colleague. During his stay, the Argentine Air Force commander will thank the Peruvian Air Force for its support during the war over the sovereignty of the Malvinas Islands. Moreover, he will visit several Peruvian Air Force bases.

INTERIOR MINISTER SEES NO COUPS; SCORES PRESS

PY081132 Buenos Aires BUENOS AIRES HERALD in English 6 Nov 82 p 1

[Text] (DYN) -- Any form of a "coup d'etat" would be calamitous for the country at the present time, Interior Minister Llamil Reston said yesterday. He added that he is sure that after "three of four successive constitutional periods" Argentina would take its rightful place in the world.

The minister denied there was any consensus among the armed forces for a coup of any sort. He criticized the press, saying it was "more interested in scandal than in truth." Reston deplored what he saw as some quarters questioning the right of members of the armed forces to own their own houses or apartments.

The minister defended former Economy Minister Jose Alfredo Martinez de Hoz, saying he is being attacked because he did not leave Argentina after resigning from his post and is now testifying before the local courts.

MEMORANDUM DETAILS GOVERNMENT CENSORSHIP

PY081647 Buenos Aires BUENOS AIRES HERALD in English 9 Nov 82 p 5

[Text] Issues such as the "disappeared" and the military's "dirty war" against terrorism have been banned from news services on state-run media by a memorandum from the Public Information Secretariat (SIP). SIP, which operates under the jurisdiction of the Office of the President, sent a memorandum to the Federal Broadcasting Commission (Comfer) which was leaked to the press yesterday. The memorandum is labelled "confidential" and is signed by Colonel Pedro Coria, SIP private secretary. It prohibits broadcasting radio reports or television pictures on "issues related to subversive acts."

Among these issues, the memorandum states, are the following:

"Cases of political subversion.

"Subversive groups and their activities.

"Organizations that support 'subversion' such as the Mothers of the Plaza de Mayo.

"Human rights groups and others.

"Mention of security force personnel involved in the war against subversion.

"Court proceedings related to these acts.

"Journalistic commentary on this issue.

"Any other aspect related to this subject."

The existence of censorship in state-owned television and radio was confirmed on Friday by former Treasury Secretary Juan Alemann, who told the daily LA PRENSA that an interview he granted to Radio Splendid was shelved "on orders from above." The interview with Radio Splendid, he said, dealt only with economic issues. Alemann has repeatedly criticized government spending on the 1978 World Cup held in Argentina. Last September, he suggested that his statements on the matter had led to a 1978 bombing attack on his house. In an interview published in the HERALD on September 7, Alemann called for investigations into this bombing attack and other crimes against people who had no connections with terrorism such as the kidnapping of former Ambassador to Venzuela Hector Hidalgo Sola and the murder of former diplomat Elena Holmberg.

QUORUM EDITOR EXPLAINS AIRPORT INCIDENT

PY081332 Buenos Aires BUENOS AIRES HERALD in English 6 Nov 82 9 p

[Excerpt] (DYN) -- Maria de Palozzi, wife of QUORUM magazine editor Jose Palozzi, left Buenos Aires for Rome yesterday under the protection of Italy's ambassador to Argentina after an apparent kidnapping attempt failed.

Mrs Palozzi sought asylum in the Italian Embassy on Thursday, one day after armed men climbed out of a Ford Falcon and confronted her at 2:30 PM near the intersection of Cerrito and Arenales Streets, Jose Palozzi said. QUORUM was closed by the government last Tuesday.

Speaking to reporters after he saw his wife off at Ezeiza airport last night, Palozzi said he was saved from her alleged kidnappers by the "intervention of passers-by" and that the armed men, "when they saw the people, got back into the car and left." Palozzi said his wife's assailants were "young people" and that two weeks ago she was hit with karate chops by two individuals "who, as the doctor said, could have broken her backbone if they had hit her well."

Mrs Palozzi was driven to the airport by Italian Embassy officials. Italian Ambassador Sergio Kociancik said she had obtained a passport but denied she had officially sought asylum in the Italian Embassy.

Mrs Palozzi's husband arrived at Ezeiza airport shortly after his wife to see her off, but was temporarily held up by airport public relations personnel, who received a bitter verbal attack from the Italian-born journalist.

Air force guards took Palozzi to a nearby office, where he apologized to the public relations men, explaining that his reaction came as a result of "tension during the past few days." He was then allowed to say good-bye to his wife.

PUBLIC WORKS MINISTER COMMENTS ON MIDEAST VISIT

PY081528 Buenos Aires Domestic Service in Spanish 1030 GMT 8 Nov 82

[Text] Argentine Public Works Minister Conrado Bauer, who carried out an extensive tour through European and Western bloc countries, has arrived in Buenos Aires. Among the countries he visited were Tunisia and Egypt.

During this stay in Tunisia he met with the transportation, public works and agriculture ministers and with the official in charge of the energy sector. The Argentine public works minister noted that since Argentine-Tunisian relations are excellent there are interesting possibilities for cooperation.

Bauer said that during this stay in Egypt he discussed issues pertaining to irrigation programs and agroindustrial development. Moreover, he said that an annex to a bilateral technical, scientific and economic cooperation agreement concerning hydraulic, irrigation and technical cooperation was also signed during his visit to Egypt.

CP PROPOSES PROGRAM FOR 'RETURN TO DEMOCRACY'

PA052000 Havana International Service in Spanish 0000 GMT 5 Nov 82

[Text] The Communist Party of Argentina [PCA] has demanded the lifting of the state of siege and the clarification of the status of missing prisoners in the country. The party proposed a program for return to democracy and recommended that general elections be held in July 1983. The PCA issued a document in which it also stressed the need to practice an independent foreign policy in favor of peaceful coexistence and friendly relations with the Latin American peoples and the members of the Nonaligned Movement.

YACYRETA PROJECT COST NOW UP TO $10 BILLION

PY060100 Buenos Aires BUENOS AIRES HERALD in English 5 Nov 82 p 9

[Text] Two Argentine directors of the bi-national Yacyreta entity yesterday admitted that the current cost of building the hydroelectric project would be 10 billion dollars and added negotiations were being carried out with several banks, including the World Bank, to finance the scheme.

The executive director of the entity, Hugo D'Angelo, and the entity's adviser, Bernardo Bronstein, spoke to newsmen at Ezeiza International Airport before leaving for Paraguay where they will attend the inauguration of the Brazilian-Paraguayan Itaipu hydroelectric project.

They were both emphatic in declaring that the Argentine Government has the firm intention of starting work on Yacyreta next year. D'Angelo said the main problems concerned the tenders for the civil works and that priority would be given to Argentine and Paraguayan contractors. D'Angelo stressed the original Yacyreta treaty, approved by the legislatures of both countries would not be modified. In reply to a reporter's query, D'Angelo denied rumours that work on the Yacyreta project would be suspended until Argentine had a constitutional government.

Both officials said Manfredo Linder, a high official of the World Bank, would be coming to Argentina on November 15 and further talks on the financing of the project would be then held. Bronstein, who is a former Argentine energy secretary, said he was only an adviser now and therefore could not now be in the United States trying to obtain credits, as reported in the Buenos Aires newspaper LA PRENSA.

LABOR LEADER'S HOUSE ATTACKED; NO CASUALTIES

PY052058 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1513 GMT 5 Nov 82

[Text] Buenos Aires, 5 Nov (NA) -- Union leader Jorge Triaca and his family came out of an intimidating attack unhurt early today. The attack, staged by unknown persons against the labor leader's house in San Isidro, was confirmed by Mrs Triaca this morning.

Jorge Triaca, who held a meeting with the federal policy deputy chief at noon today, belongs to the CGT-Azopardo [General Labor Confederation headquartered on Azopardo Street] leadership.

Mrs Triaca said that unknown persons shot bursts of submachinegun fire at the front of their house. She said the attack "was something more than a threat." She explained that the attack took place early today and that "at least 100 bullet holes" could be counted on the front of the house.

This morning, Triaca did not attend the meeting held by the CGT-Azopardo leadership at the headquarters of the glass factory workers union. However, relatives reported that he met Inspector General Emilio Bolotner, police deputy chief, at noon today.

The union of plastics industry workers, the sector Triaca belongs to, this morning released no reports on the attack.

Triaca and other CGT-Azopardo leaders yesterday held a meeting with the socioeconomic cabinet. At the end of the meeting, he said the unions they represent "did not agree with the government's salary policy."

BOMB BLAST DAMAGES HIGH RISE IN BUENOS AIRES

PY070515 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0230 GMT 7 Nov 82

[Text] Buenos Aires, 6 Nov (NA) -- A powerful explosion, presumably the result of a bomb, caused serious damage tonight to a high rise apartment building in the Caballito district. There were no casualties however.

The explosion, which occurred at about 1900 in the building located at 94 Doblas Street, destroyed the lobby and caused serious damage to ground floor apartments. Police officers arriving on the scene said the explosion could have been the result of a gas leak, but State Gas Company technicians working late into the night could find no evidence of a leak. Also, a resident of the building told NOTICIAS ARGENTINAS: "I didn't smell any gas at all today, and I don't believe the story that there could have been a gas leak."

At approximately 2215 Judge Nicasio Dibur showed up on the scene, saying that the investigation had been made secret.

A few meters from where the explosion occurred, at 72 Doblas Street, stands the home of Jorge Basil. Basil, the former vice president of the liquidated Banco de los Andes, is currently under detention as are the former owners of the bank, the brothers Hector and Jose Greco.

PRESIDENT ANNOUNCES ECONOMIC MEASURES TO NATION

PY070159 La Paz Domestic Service in Spanish 2315 GMT 6 Nov 82

[Speech delivered to the nation by Bolivian President Hernan Siles Zuazo from legislative palace in La Paz -- live]

[Text] Honorable national senators and deputies; distinguished diplomatic representatives; messrs ministers of state; messrs commanders of the armed forces and of the Bolivian police; Bolivian people:

When we assumed the presidency of the republic on 10 October, in compliance with the express will of the Bolivian people and with the consensus of all the democratic forces of our country, we were well aware that Bolivia had been led to the brink of destruction. Under those circumstances, the concerted and determined action by the social sectors struggling for the future of the Bolivian nation is the best alternative for achieving a peaceful transformation from dictatorship to democracy.

The democratic process we are experiencing is the result of the courageous and heroic struggle of patriotic miners, peasants, factory workers, professionals, teachers, university students, military officers and businessmen, and of the Bolivian people as a whole. Therefore, the democracy we are building has a historical projection. As a matter of fact, our current task is to undertake a transformation in our country and to reopen the path leading to its development -- within a framework of sovereignty, independence, freedom and participation of the people's mass organizations -- and also leading to actual advantages for majority sectors.

We address the nation through this congress because we are loyal to our democratic principles. We know that many of you, messrs senators and deputies, have suffered as a result of your struggle in defense of democratic principles. Therefore, we are now publicly expressing our acknowledgement to you. Obviously, those who during difficult times supported the people and fought the dictatorship, will know how to defend democracy, giving up personal or political interests.

Even though everybody is familiar with the causes which have brought about this national disaster -- and which we received as the heritage of the recent past -- it is worthwhile to make a brief summary of the major factors which have deepened the crisis. This way, it will be easier to understand both the nature of the new political and socioeconomic order that we will seek to establish and the scope and purpose of the emergency economic measures that will come into force as of today.

The year 1964 marked the beginning of successive attempts to impose a political and socioeconomic model on our nation, with the purpose of destroying the national revolutionary process started on 9 April 1952. Those attempts, with the exception of the regimes headed by Siles Salinas, Ovando and Torres, reached their highest intensity during the regime installed in August 1971. We witnessed a new attempt in 1980, when violence and crime showed the structural decay of such regimes.

Basing their action on the forceful seizure of power, the main purpose of the forces sponsoring the antinational and antipeople model was the progressive denationalization of the government and of the economy, in order to favor the interests of a new oligarchy closely linked to imperialism. The main tools used by these regimes were the contracting of heavy loans, the irrational exploitation of our raw materials, the seizure of public resources by private parties and the use of state-run enterprises and mechanisms as a source of wealth for the oligarchy. In the social area, workers were overexploited. This inhuman policy resulted in the continual deterioration of the purchasing power of salaries and wages and in the freezing of prices of agricultural products.

Such a model necessarily needed an authoritarian and repressive regime in order to neutralize or destroy the organized reaction of the people. With this purpose in mind, measures were implemented proscribing unions, political parties and any other forms of popular and democratic organizations. The brazen and criminal actions of the paramilitary groups became the sick expression of state terrorism; the dictatorship had to resort to these actions to remain in power. Corruption then became an important part of the regime, serving as a fraudulent stimulus for small privileged groups of the system. The successive attempts to implement this antinational plan led Bolivia to the current situation of disaster. Few countries of the world can show in their recent history a chaos similar to what existed in our country until 10 October. The political and moral deterioration was followed by an economic crisis of a magnitude that became uncontrollable for the dictatorships, which took for themselves the sovereignty that belongs to the people.

It is an obligation to make public the deplorable state in which our government has received the country; the real names of those responsible for the suffering of the last few years and the sacrifices which must be made should be known.

We must first refer to the problems of the foreign debt and foreign trade. We have not found a single usable dollar in the safe of the Central Bank; it was even worse than that, this organization was $400 million in the red. This figure shows how the dictatorship weakened our economic structure. The public foreign debt which must soon be paid is over $400 million and the total debt is over $3 billion. Last year, this debt was refinanced in order to get better terms for paying it back, but we are still behind in our payments to virtually every creditor. The payments for amortization of the interest on the medium- and long-term foreign debt for the years 1983 and 1984 represent about 70 percent of the current national income from exports. If to this figure we add the interest on the public and private short-term debt, we find that about 80 percent of the foreign currency from exports is committed, therefore only 20 percent is left for imports and to take care of our needs.

The reestablishment of the floating exchange at the beginning of this year created a real exchange chaos. Our deteriorated Bolivian peso suffered in 8 months a devaluation of close to 1,000 percent, encouraging uncertainty, speculation and galloping inflation. The price of imported products multiplied several times affecting some staples and medicine. The government in office at that time tried to balance the foreign debt through a drastic reduction of imports, raw material and capital goods. The implementation of that policy paralyzed economic activity without bringing the serious foreign debt into balance.

Second, based on the last few months of this year, it is estimated that the Gross Domestic Product [GDP] will fall about 10 percent; investments have drastically stopped; the producers do not have many of the imported goods necessary for the operation of their enterprises and are suffering additional problems created by the drop in demand and financial problems. At the same time, the deterioration of the real income created by inflation considerably depressed demand. Debts in dollars, which in addition to the devaluation have been bought and sold irresponsibly, have caused many enterprises to confront serious financial problems. In some cases, the debt in dollars was used as a method to cover up the flight of capital; this is why there are many businessmen with fat bank accounts abroad yet who have companies apparently on the brink of bankruptcy right here.

There can be no doubts either that some businessmen are experiencing today a difficult situation. Still more serious are, however, the hardships endured by the poor sectors. Real income of popular sectors has markedly dropped as a result of the antipopular policy enforced by the dictatorships. This situation is worsened by growing unemployment.

Thirdly, the performance of the public sector in recent years can be regarded as shameful. On the one hand, fiscal revenues have sharply dropped to the point that the real internal revenues have sharply dropped to the point that the real internal revenue will not be half of the amount obtained in 1981. Meanwhile, items liberated by customs increased from 33 percent to 55 percent. Tax evasion became a standard practice and customs royalties markedly declined. The central government lost control of resources obtained by public enterprises. Furthermore, fiscal spending rose excessively, especially as a result of uncontrolled hiring of employees in the public sector, of the policy of subsidies implemented by the government to keep down prices of basis products and of the servi of the foreign debt.

This irresponsible mismanagement of the state income and spending led to a growing fiscal deficit. In September, expenditures were twice as great as income. We can state that when we took over the government, both inflation and the fiscal deficit were completely out of control.

Fourth, the large difference between the subsidized prices of some products and the duty free prices of others -- especially imported goods -- and the sharp monetary devaluation created fertile grounds for internal speculation and smuggling of goods to neighboring countries. It is true that subsidized prices benefit popular sectors but it is not less obvious that without the appropriate controls they will be more favorable to speculators and smugglers.

One of the most tragic effects the dictatorial model had for the national economy occured in the public sector. The losses of the nationalized mining sector rose by 52 percent between 1980 and 1982. The National Smelting Enterprise experienced liquidity problems under the heavy pressure of its large foreign debt.

The Bolivian Government Oil Deposits [YPFB] experienced a $144 million deficit, which is equivalent to 22 percent of its budgeted income, during the first half of this year.

Yet it was the social sector which was hardest hit by the antipopular policy enforced by the de facto governments. Recorded unemployment in the second half of 1982 has been 67 percent higher than that of 1980.

Concerning the health sector, the situation has reached extremely alarming, painful levels. Estimates show that the child mortality rate stemming from growing undernourishment and faulty medical-health treatment have increased to such a degree that we are now placed at the level of the poorest countries in the world.

Socioeconomic problems have become even more complicated and serious as a result of other difficulties. The government itself has turned into a problem, because it is by no means the suitable tool to lead our nation to recovery. This situation has arisen from many factors, a major one being that the administration hired people who were unqualified both technically and morally. But it was not only because of inefficiency and corruption that the government could not perform properly. Military dictatorships have greatly worsened the problem of the disintegration of ties among government agencies, thus hindering coherent and organized action.

The democratic spirit that feeds our government cannot tolerate total centralization, but excessive and disjointed decentralization does not allow the strong supervision of public affairs which the crisis the country is going through calls for. Less than 30 percent of the nation's general budget is earmarked for centralized agencies, while decentralized organizations absorb more than 70 percent. Decentralized agencies should understand that they are part of the government, just as departments should understand that they are part of the nation.

In order to analyze the economic policy of the dictatorships, we also have to point out that their governments lacked long-range perspective. Those short-sighted regimes were blinded by the mirage of foreign loans, disregarding the fact that such illusions would soon turn into the hard reality we are now experiencing. Instead of warning the people about the approaching danger, those regimes improvised, encouraging irrational economic behavior.

Even though we may be repeating something we already said, we should stress that, during those regimes the government was at the service of a minority and not of the people as a whole. The huge foreign debt they incurred, along with their substantial expenses -- which exceeded our income -- were not used to solve the serious problems of majority sectors, but to satisfy the selfish ambitions of the gangs who were in power and of civilian groups linked to such gangs. That is why those regimes were not legitimate but, necessarily, dictatorial.

In the face of this bleak situation, the process we are now starting with the support of the great unity and mobilization of the Bolivian masses must include some fundamental tasks -- which must be undertaken without hesitation -- in order to change the course our nation has followed for the last few years and to build a just, democratic and independent society.

First and foremost, we must reaffirm the deeply democratic nature of our project. Democracy has to be once and for all restored in order to overcome ths tragic heritage. Without either democracy or freedom, no socioeconomic policy will meet the expectations and interests of the national majority.

History teaches us that the people never benefit from progress if they do not participate actively in decisionmaking. In a democracy, the people's struggle only goes half-way if they do not assume power. The next objective can be none other than to restore the people's control over the government, government agencies and state-run enterprises. We must optimize their structure and operation, so that we can get the most out of our scarce resources.

In this regard, another urgent requirement is to coordinate public sector tasks with a well-planned strategy, with a view toward systematic and long-range action, thus overcoming improvisation and squandering.

The recovery of the government must finally be based on the strengthening of the political, socioeconomic and cultural sectors. It is on these bases that we intend to revive the popular essence of the national revolution of 9 April 1952 and to secure its continuity in a perspective of change and true national liberation.

In the face of the tragic state of things we inherited on assuming the reins of the nation, we reaffirmed our decision to undertake with resolve the solution of the crisis, without fearing the political damage our measures could cause us. We are not unaware that the implementation of our new economic policy will initially impose greater sacrifices on all Bolivians. Yet the difference with the recent past will lie in the fact that the bulk of the burden will not [as heard] be shouldered this time by those who, having benefited from earlier situations, are morally obliged to assume a greater share of the sacrifice required to overcome this state of bankruptcy. Our economic policy is basically designed to improve the living conditions of the misery-stricken sector of our people. We will try to give decent jobs to all Bolivians and to reduce the growing economic inequality prevailing in our society.

It is our purpose to bring the national financial system to normal since it has been seriously distorted by the irresponsible management of dictatorial administrations. We seek to achieve the country's economic reactivation by emphasizing the strengthening of the productive apparatus. Finally, we emphasize that our proposal is in keeping with the urgent need of achieving democratization in economic power.

It will not be possible to bring order to our financial system, to bring it to normal, without decidedly facing the foreign debt issue. We will undertake the immediate renegotiation of our foreign debt. At the present juncture we have no alternative but to negotiate with our creditors a deferrement of our payments as a provisional measure stemming from the difficulties we inherited from the military dictatorships. It should not be forgotten that these loans are as illegitimate as the regimes which contracted them without the people's approval.

We have decided to eliminate the harmful floating dollar system and to reestablish the single exchange rate system in order to guarantee adequate procurement and effective distribution of foreign currency to promote economic reactivation, thus ending the uncertainty provoked by the floating system. This solution will also put an end to speculation on foreign currency and to the flight of capital. These measures would not be fully effective if an adequate rationalization of the use and destination of the income in foreign currency is not guaranteed. To this end, consumption of luxury items will be restricted as much as possible by banning the import of all those nonessential items in order to save our income in foreign currency. A special committee will be created to decide the destination of our income in foreign currency by strictly adhering to the above rules. This committee will widely publicize its allocations so that the people at large can be informed of the destination of our hard-won income in foreign currency. [applause, cheers]

Any consumer goods made abroad, be it a luxury car, food items or a child's toy, is bought with the sweat of our miners or our rubber workers. Even today we are confronted with the paradoxical situation that the private sector, despite providing no more than 22 percent of the bulk of income in foreign currency obtained through exports, consumes nearly 75 percent of the total amount of currency obtained through exports.

Bolivians, we can no longer depart from the legacy we inherited from the patriots of the past and from the daily effort of our workers today.

The state will control 100 percent of the income in foreign currency stemming from exports of national products and will allocate these funds, with honesty, in a planned fashion and keeping in mind the real priority needs of our national development and the people's well-being. Conspicuous consumption and consumption-imitating lifestyles completely foreign to our simple and austere people must come to an end.

In the search for normalizing the national financial system, we will implement some control and tax readjustment measures for the benefit of the national treasury and we will use the special benefits of the new exchange system. These measures basically deal with fuel consumption, consumption of electrical energy, mining export cost estimates, the tax on bank credits, reduction of personal income tax up to the end of the current fiscal year, increase in the interest rates on overdue tax payments in order to take away benefits from delinquent debtors and the revaluation of the fixed assets of all the enterprises of the country in accordance with the differential rates for each economic sector.

We have decided to make unavoidable price readjustments on some widely consumed articles. We know that as a rule such readjustments are not popular. However, contrary to prior regimes, our government has made every effort so that the readjustment does not become a hard blow to the family basket. We have even reduced, as much as possible, some of the current prices. This is the case with cooking oil and butter; the price increases on coffee and rice are minimal but this is not the case with the price of sugar. This is linked to the need to establish appropriate prices to stimulate production and to compensate the sugarcane workers for their labor by applying a price policy in accordance with the fluctuations of the international market.

Poultry prices will be high because of the high cost of imported feed, but we are convinced that due to the flexibility of the supply prices will tend to decrease after the initial increase. The price of beef, which is high, willl tend to decrease as supply conditions improve.

The subsidy on flour which has to be purchased at a very high price, that is in foreign currency, creates a reprehensible smuggling trade from Bolivia to other countries, in addition to speculation, hoarding and the use of flour for purposes other than baking bread. We will maintain a lower subsidy for this vital product because we intend to solve the current shortage problem. [applause] We are aware of the difficulties involved in an effective distribution of bread with the current structure of private production being predominantly in the home. Once again we make an appeal to the honesty of bakers and at the same time we call on housewives, the neighborhood committees and other social organizations to contribute with their initiative and citizens' zeal to take care of our daily bread. The people can rest assured that we will punish flour smuggling and speculation. We want the people to have high quality bread with the right price and weight.

We are searching for prices that will reactivate our own productive apparatus as a first step for a sustained self-supply, which is the only way to extend the benefits of better food for all Bolivians. The price policy will attack two very sensitive aspects. The first is the immediate need to lower the prices of medicine and the second is related to the supply of dairy products.

Several measures are being implemented to achieve these objectives. The minister of this sector will order the importation of medicine aimed at getting quality products at the lowest possible prices and prohibiting the import of similar expensive products without hurting the development of our incipient pharmaceutical industry.

Milk is an essential element in any diet, above all for children. We shall encourage national milk production through a plan favoring the rational exploitation of milk-producing cattle. Credits will be granted for the purchase of cattle food, for relocation of barns, adoption of technology, and so forth. In the long-run, all of this will result in cheaper prices and improved supply systems. For the time being, we will encourage producers with more attractive prices. In addition, we believe that many excellent dairy products -- now being offered on the international market -- can be manufactured in our country, thus reducing the price consumers have to pay. We want to secure the milk Bolivian children need, above all in rural and mining areas, in order to assure improved biological and intellectual development. [applause, shouts]

Bolivian transportation services have long been going through a difficult situation. In larger cities real chaos has arisen in this sector, raising increasing concern among the population, as a result of traffic jams; the irrational distribution of bus routes, bus stops and schedules; and the lack of technical studies about traffic flow. That sector's rigid organization, which has little respect for justice and which has recently started showing the characteristics of a monopoly, stands as an obstacle to the solution of some of those problems.

Something similar is happening in the agricultural sector, where producers have to cope with middlemen who often operate in coordination with the transportation sector.

The first step we must take in order to overcome this situation is to put an end to the monopolistic system and to enforce free bus routes, both in rural and urban areas. [applause, voice heard shouting: Long live President Siles] Municipalities have the legal mechanisms for restructuring transportation services.

The price of fuels is closely linked to the problem affecting the transportation sector. Fuel prices are not a significant component in the structure of costs, but we must urgently adopt a realistic policy concerning our hydrocarbons, which are being squandered and smuggled.

The financial situation of YPFB calls for a reconsideration of its price list. We cannot continue harming our second largest national enterprise. Therefore, we have readjusted fuel prices, always bearing in mind the principle that we must defend consumers and the services to be used by the people. This will obviously cause transportation fares to rise. However, the rise will be far smaller than what bus owners demanded. We call upon them to make a sacrifice, to understand the situation and to adopt a generous, patriotic attitude.

We know that bus owners [words indistinct] that is, humble workers, who make up a considerable part of transportation sector workers, who are also consumers, are confronting difficult problems arising from their debts in dollars and from high spare part prices. We shall give considerate answers to the two problems, and we are right now announcing that we will protect the persevering work of transportation workers who, we are sure, will also enjoy the appreciation of consumers and of the entire people. [shouts and applause]

In compliance with an old popular desire, we have decided to transfer the Bolivian Power Company to the Bolivian nation, [applause, shouts] leaving in the hands of the Congress the enactment of the law which will nationalize this enterprise. This momentous step will contribute to promoting a coherent, coordinated development of the generation and distribution of electricity across the nation, thus supporting integration projects.

It will now be immediately possible to extend electrical services to rural areas of Laz Paz Department and to serve more than 8,000 new customers, especially in popular sectors which, otherwise, could not have received the benefits of this utility service because Bolivian Power had no intention of serving them since it had suspended the expansion of its services and further investments.

The one thing that reflects the fair price policy adopted by this popular government is the establishment of new electricity rates. We have established at 80 Bolivian pesos the minimum consumption rate per house, at 166 Bolivian pesos the consumption of up to 100 kilowatt/hour monthly. These genuinely popular rates will be paid by 61 percent of La Paz customers, whose family budget we are objectively defending in this sector by establishing lower rates for low income customers. These rates are lower than those charged by Bolivian Power. [applause, shouts, cheers]

Concerning economic reactivation, apart from those measures already adopted to leave the dollar standard, we ought to emphasize the impulse needed to expand activities related to mining and petroleum, our main resources and sources of income, without which we could not undertake any large scale socioeconomic action.

We also implement an effective credit policy to stimulate production within the general framework of an agreement to promote industrial recovery.

Aware of the strategic significance agriculture has in our economy, we are putting into motion a number of instruments which will effectively give greater dynamism to this sector. We can mention the following: the increase and rationalization of agricultural loans, the establishment of reference prices for agricultural goods, direct import of agricultural inputs and the establishment of a marketing system which will guarantee fair prices to both producer and consumer. [applause, shouts]

We will remove those monopolistic obstacles lying in the way of transport of agricultural products. Since its very first program, the Democratic and Popular Unity [UDP] has been proposing the installation of markets for peasants. We are now confronted with the specific task of implementing this proposal. This peasant's market will yield greater benefits to the producer and will also provide the consumer with cheaper products, as long as the speculative, distorting action of middlemen is eliminated.

We reiterate that we will proceed to the immediate annulment of grants of agricultural land made illegally after 18 July 1980; this land will be redistributed for the benefit of agricultural workers. [applause, shouts] Also, a thorough review of the land concessions made since 1971 will be made in view of the fact that many of the concessions were illegal and were made for strictly speculative purposes.

We have decided to carry out a democratization of the economy as one of the main objectives of government policy. Labor comanagement of the state enterprises will be complemented with effective participation in the national planning of social organizations linked to production. [applause, shouts]

Bolivia is a country with public enterprises which are the strategic sector of the national economy. Even in periods of democratic and institutional normality, the absence of appropriate mechanisms of control over the management of these enterprises created fiefdoms stimulating corruption and fraudulent operations. Hence the need for the productive masses to assume their historic responsibility over the public enterprises.

Another important aspect of the current process is the democratization of the economy. In this regard the UDP, as already stated in its government program, is going to put into practice comanagement, the traditional aspiration of the workers. Labor comanagement in the state productive enterprises and labor comanagement in the service and financial enterprises will not be imposed by the government as a mere administrative measure. We want the organized workers themselves to help us with their experience to select the most appropriate measures for a kind of comanagement which we hope will be on an equal basis. [applause, shouts]

Comanagement must mean shared management, administration and responsibility at the levels of planning, decision and execution. As soon as comanagement is set up and according to the framework permitted by the real situation of the country, the workers will be coresponsible for the labor policies on wages and on the social aspects of housing, education, health and nutrition. We must develop scientific and planned rules of administration providing a democratic, national and popular content to the workers' situation through their unions such as the Bolivian Labor Federation [COB], the Mineworkers Federation of Bolivia [FSTMB] and other organizations so that they can participate with responsibility in the administration of public enterprises. [applause, shouts]

In order to properly fulfill these proposals, we shall ask Congress to pass a law on equal basis comanagement in the shortest time. Workers should propose practical measures and methods for the implementation of comanagement in their respective enterprises. Within a 30-day period, a high level commission will evaluate all proposals and experiences reported by workers on this matter. We aim to make sure that organizations connected with the productive sector have more participation than mere decision-making in each productive unit. Those organizations should play an active role in the formulation of major guidelines for national development. This will represent a revolutionary step, which will tend to democratize the agencies in charge of national planning.

Planning will be my government's major tool for managing socioeconomic activities. It will be necessary to redefine the planning system, so that it can meet the requirements of the development strategy and of the broad platform of our political project. Once the crisis has been overcome, we shall implement a development plan of great social significance, which will be strengthened by a foundation of sound economic measures.

The social approach of the new economic policy will be immediately reflected in salaries, housing, the restructuring of the social security system, the opening of the national health service and the implementation of the literacy campaign.

Salaries and wages of both the public and private sectors will be readjusted by means of the consolidation of all bonds (?at their highest value). [applause] A 30 percent readjustment has been decided on for all salaries lower than 15,000 Bolivian pesos. At the same time, the minimum basic salary is set at 8,490 Bolivian pesos, subject to a flexible scale which will periodically be applied in keeping with regulations to be issued [applause, shouts] 100 days after the enactment of the new economic policy.

We know very well that this readjustment does not make up for the deterioration that the purchasing power of salaries and wages has undergone during the last few years. We also know that it will hardly mitigate the impact caused by the measures being enacted today. We would have liked to give more but we cannot do that. We state categorically and clearly that the UDP government believes that it is the workers' legitimate right to have a minimum salary with a flexible scale, and we shall implement it during the current term. For this purpose, the measures we have taken concerning salaries will drastically reduce the rate of deterioration of the real value of salaries and wages. The next step will be to stop that deterioration once and for all, reversing the whole process and restoring purchasing power, until we reach the minimum salary with a flexible scale. [applause, shouts]

The group of retired people, made up of meritorious men and women who have dedicated long years of service to the fatherland, deserves new treatment. In the UDP's program in 1980, we had already stated the need to do so. Today, from the government, we can state that we complied with this promise by assigning a minimum pension of 7,641 Bolivian pesos to retired people, thus finally answering the clamor of this sector by enforcing provisions which had been filed away by our predecessors. [applause, shouts, cheers]

Our housing deficit is one of the most dramatic indicators of our poverty. Only 16 percent of the houses existing in the country meet internationally required standards. Concerning this important social subject, we want to announce now that our government has decided to implement immediately an ambitious house construction program designed to benefit those sectors which most urgently need housing facilities. [applause, shouts, cheers] In this respect, during our first year of government we will increase by a factor of five the number of houses built by all of the housing councils during the outgoing term. Thus, in addition to giving an effective reply to the social problem of housing, we will help create a large number of jobs, which is a major part of our government program. [applause, shouts, cheers]

We have time and again stated that thus far shared sacrifice has resulted in continuing sacrifice for those who have always been sacrificed. Today, we want to change this formula with the only effective psychological technique, that is, through example. The Democratic and Popular government has decided to immediately reduce and to freeze the salaries earned by the president and vice president of the republic, ministers and under secretaries. [shouts "deputies"]

Similarly, the wages of executives of decentralized government enterprises and self-supported enterprises will also be brought into line. Finally, a revision of all government reserved expenditures will also be carried out to bring order to these expenditures. [applause, cheers, shouts]

In Kollasuyo our forefathers had already planted and consumed what became the sacred plant of the Incas. The traditional, millenial consumption of coca leaves has never caused any evident physiological or physical damage. Unfortunately, the growing, skyrocketing demand for drugs in consumer-oriented societies has ended up converting coca leaves into a curse for millions of people, primarily young people, who have fallen into drug addiction, which is fomented and supported by men without moral scruples. Large sums of money are involved in drug trafficking and support both a brutal, sinister productive apparatus and the international traffic and distribution of narcotics. Without exaggerating, the above apparatus is far more powerful than all our state services designed to fight it.

Let us note that the 1980 coup was based and attempted to survive on money filtered through the drug trade. We share the grief of those persons and families who endure the hardships caused by such an evil business. Yet we can state that the Bolivian people have no reason to harbor any feeling of guilt since we ourselves are victims of dirty industries which brought shame to institutions and citizens in our country. [shouts, cheers] On the contrary, despite our limitations we will energetically undertake the task of completely eradicating the production and traffic of drugs. Aware of the risks, we will decidedly strike at the main links, that is, the use of the coca leaf to make drugs. We emphatically state that we will defend the traditional growing and use of coca, [applause, shouts] but we will implacably fight this evil traffic. In other words, we will not destroy coca plants as long as there is only the necessary quantity for traditional consumption, for legal pharmaceutical purposes and other industrial uses. [shouts]

We also want to state frankly that those countries where cocaine is consumed in large quantities must cooperate in providing compensation for small coca raisers, in stimulating replacement of coca crops with other profitable crops, in adequately managing small farms [producciones sedentarias], and in fighting drug traffickers who, in our country, were able to infiltrate the government apparatus, as was the case of the paramilitary gangs. In this task [shouts, cheers] in this task we will try to coordinate our efforts with Peru, Colombia and Ecuador, where the scourge of drug traffic has also been felt.

The struggle against drug trafficking is in keeping with our unwavering struggle against corruption -- especially of government officials -- which has so seriously undermined our economy, our institutions and our national respectability.

We want to improve (?our sanctions) against economic crimes, recent or future looting of our natural resources, regardless of who the culprits are. Our economic policy, which is designed to overcome the crisis, certainly requires a shared sacrifice by all Bolivians. But this is not enough. We consider that the essential requirement for the success of these emergency measures is necessarily related to the mobilization of all the energy the people can devote to this national salvation task.

We appeal, therefore, to the patriotic spirt of union organization, especially of miners and factory workers, who were the pathfinders in the struggle for democracy and freedom. We are convinced that the working class, together with the peasants, university students and professionals, can resolve with us within the framework of constructive dialogue those difficulties which could eventually arise as a result of the implementation of the measures which are being announced today.

Dialogue will be increasingly important as the atmosphere of understanding becomes more decisive to guaranteeing the stability of the democratic process, which has already claimed so much blood, so many lives, so much sacrifice from the exploited majority sectors of the country. [shouts, cheers]

The people have been expecting the new economic measures both in an atmosphere of tension and hope. We do not want the necessary, unavoidable realism of some of our measures to undermine this hope. We want the people to rest assured that a real economic recovery will begin after this unavoidable sacrifice, and that those measures which are being enforced today are just the application, adjusted to circumstances, of the program proposed to the people by the UDP in 1980.

The role of the Congress in the face of the new economic policy of the national government should not be limited only to criticism or to control. We respectfully ask the Congress to assume a role of political cooperation with the executive branch to have these emergency measures accomplish their goals. This is what the interests of the people demand; the historic designs of the people cannot be ignored by the legislative branch. Beyond the differences we may have, it is a duty to give this democratic process a stable future, which is an essential condition to overcome the crisis, strengthen the economy of the country and move toward economic and social development without an oppressing dependency.

We are not alone. The great feat of transition from dictatorship to democracy, a common cause of all people of the world, has caused admiration and solidarity in Latin America and on all levels of the international community. Now that we are beginning the second stage of the liberating struggle of our people, it is an opportunity to express our recognition for the solidarity of the people of the Americas and the world. [applause, shouts]

In conclusion, I would like to say that the new economic measures adopted in extremely difficult circumstances were not made behind the back of the national community or for the benefit of privileged interests; they are the result of the dedication to service of the Democratic and Popular government to our people. This is why, contrary to what has happened in the past, there has been no mobilization of tanks or fratricidal confrontations. [applause, shouts]

This is why, honorable senators and deputies, we have conceived the exercise of the functions of the three branches of government as a demonstration of profound love for the great Bolivian family. Thank you. [applause]

Lechin: Measures Not Positive

PY081304 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Nov 82

[Text] Juan Lechin Oquendo, the highest-ranking leader of the Bolivian Labor Federation, COB, does not consider the long-awaited economic plan, which the constitutional government implemented over the weekend, to be positive.

Those economic measures are not positive for national liberation, the COB leader stated. Lechin made this statement when announcing a meeting that the COB will hold within the next few hours to analyze the new economic package.

The minimum wage fixed by the UDP [Democratic and Popular Unity] is below the figure obtained from the studies that were carried out by the official organs themselves. As for the increase in the price of fuels, Lechin stated that the readjustment made is excessive and out of touch with Bolivian reality.

FRI Lambasts Measures

PY090118 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Nov 82

[Text] As a whole, the new economic package is antipopular because it does not fulfill the expectations of the people who demand a more realistic solution to the problems that the nation is facing, according to the Revolutionary Front of the Left (FRI) communique issued today.

Many of the measures announced are merely demagogic and do not take into account the needs of broad national sectors or the desires of the workers. The price increases of staples, transport fares and fuels is totally out of proportion with the salary hikes granted, which means that the wages are well below the level required by the economic situation prevailing as of last Saturday.

The FRI communique states that while prices have increased by 150 or 300 percent, salaries have increased only by 30 percent. The minimum 8,490 Bolivian pesos wage is ridiculous and can hardly satisfy even the most basic needs of the workers and people in general, whose situation is worsened even more because speculation and hoarding have soared after the measures were announced and there is no authority capable of keeping these irregularities in check. The communique further points out that the minimum flexible salary scale -- a longstanding wish of the workers and a factor which was demagogically used by the Democratic Popular and Unity before it took over power -- has not been implemented. The new exchange rate set by the economic package is not realistic because while the U.S. dollar stood at 170 Bolivian pesos on Friday, the government, for some unexplained reason, has raised it to 200 pesos. Who benefits from this measure? It is obvious that the people are merely burdened even more, concludes the communique signed by Oscar Zamora, Eusebio Gironda and many others.

Transportation Paralyzed

PY081249 La Paz Cadena Panamericana in Spanish 1130 GMT 8 Nov 82

[Excerpt] The people are again faced with the transportation problem. This sector has been virtually paralyzed since yesterday as a result of the new economic measures. Only a few buses and taxis are working normally, but they are charging fares that they themselves set, according to reports. Private trucks and other kinds of vehicles have returned to the streets, but their owners are charging excessive fares. There is no control by the authorities responsible for this area.

Central-Southern Miners Strike

PY090150 Paris AFP in Spanish 0106 GMT 9 Nov 82

[Text] La Paz, 8 Nov (AFP) -- The Bolivian Central-South Mining Council declared a general strike tonight in protest of the government measures for an economic reorganization of Bolivia. The mineworkers in this sector, which is not the main one in the country but which has the highest poverty index within the Bolivian mining sector, demanded an increase of 140 percent in wages. However, the government granted them only 30 percent subject to negotiation.

According to analysts, however, the mining sector is one which suffers less with the new economic readjustment measures due to the considerable subsidies it receives through the so-called commissaries (general stores).

DECREE ISSUED ON NEW EXCHANGE MEASURES

PY090105 La Paz Radio Illimani Network in Spanish 0025 GMT 7 Nov 82

[Decree No 19,250 issued in La Paz on 6 November]

[Text] [In progress] an exchange policy contrary to the country's highest interests generally by implementing the dollar floating system, something which has seriously hurt the national economy. This policy has aggravated even more the stagnant economic situation and the status of economic and financial relations with the international community. Moreover, this policy caused an excessive increase in the cost of living and a drop in the incomes of the Bolivian people, particularly of the workers, farmers and the middle class, who make up the majority and were responsible for the constitutional government. A consistent exchange policy designed to open the way for the country's economic recovery by resolving the serious situation inherited from the dictatorial regimes must be immediately implemented to safeguard national interests.

The Constitution authorizes the state to establish the exchange policy it deems necessary to resolve the national economic sitaution. This policy must strengthen national independence and sovereignty and the social and economic development of the Bolivian people.

On exercising its sovereign right, the state is entitled to regulate foreign currency transactions through stimulation, control or direct sale of foreign currency, establish a state monopoly of the foreign currency necessary for carrying out foreign trade operations, and fix the exchange rate for the Bolivian peso in relations to foreign currencies.

The Council of Ministers hereby decrees:

The Exchange System

Art. 1: One exchange system is adopted in the country for all foreign currency transactions.

Art. 2: The Bolivian Central Bank will fix the exchange rate for the Bolivian peso in relation to the U.S. dollar and to other foreign currencies. Moreover, the Central Bank will regulate and manage the implementation of the exchange system in accordance with the powers granted it by the law.

The Foreign Trade System

Art. 3: The state-controlled foreign currency system is hereby implemented in the country.

Art. 4: The system consisting of the compulsory delivery to the state, through the Bolivian Central Bank, of 100 percent of the net value of the foreign currency obtained from all exports of goods and services by public and state enterprises, is hereby restored.

Art. 5: The state, through the Bolivian Central Bank and the organs created for this purpose, will earmark foreign currency for exports, payment of foreign debts, trip allowances, board and lodgings for students abroad and foreign health insurance in accordance with the guidelines, rules and priorities established by the supreme government.

Art. 6: As of today, all foreign currency operations will be carried out through the Bolivian Central Bank, which is the only institution legally authorized to this effect.

Art. 7: As of today, all exports of goods and services will be made through letters of credit drawn on the Bolivian Central Bank. Moreover, imports will be made based on letters of credit drawn on foreign banks.

The Foreign Currency Budget

Art. 8: The centralized, decentralized, autonomous and local agencies of the administration will submit detailed estimates of their foreign currency expenditures and income for 1983 to the Finance Ministry which, on the basis of those estimates, will draw up the public sector's consolidated foreign currency budget.

Art. 9: All foreign currency income provided for in the public administration's office will be handed over to the Central Bank as soon as received.

Art. 10: Foreign currency requests not provided for in the consolidated budget will not be complied with by the Central Bank.

Transactions Involving Foreign Currency From Other Sources

Art. 11: Individuals and corporations with residence in Bolivia, as well as tourists, will be allowed to sell foreign currency exclusively to the Bolivian Central Bank, to the National Bank or to legally established middlemen.

Art. 12: Banks, legally established exchange shops, hotels and travel agencies will be allowed to buy foreign currency exclusively from either tourists or sources other than exports, paying the existing exchange rate. In addition, middlemen will pay buyers an 8 percent bonus on the buying rate, chargeable to the government.

Art. 13: All foreign currency bought under the terms of Art. 12 will be handed over to the Central Bank in the cities of La Paz, Cochabamba and Santa Cruz and, in the rest of the country, to the National Bank -- the Central Bank's representative -- at the earliest hour of the first working day following the day on which the transaction was made.

Art. 14: The Central Bank, or the National Bank on behalf of the former, will reimburse the amount of national currency paid by the financial institutions mentioned in Art. 12 at the existing buying rate plus an amount, in national currency, covering the 8 percent bonus middlemen paid to foreign currency owners, plus a 2-percent commission on the buying rate.

Art. 15: Banks, and legally established exchange shops, hotels and travel agencies will under no circumstances sell foreign currency to third parties other than the Central Bank.

Art. 16: The Central Bank may earmark foreign currency for trip allowances, room and board for students abroad and medical services in foreign countries, in keeping with foreign currency availability and with the regulations and priorities set by the government.

Management of the System

Art. 17: The system for state control of all foreign currency inflow or outflow in Bolivia will be regulated, managed and supervised by the agencies mentioned in the present decree.

Art. 18: The exchange rate policy commission is hereby created. The commission, to be made up of a representative from the Finance Ministry, a representative from the Planning and Coordination Ministry, a representative from the Ministry of Industry, Trade and Tourism, a representative from the Central Bank and a representative from the Comptroller General's Office, will be headed by the representative of the Finance Ministry. The commission will make its decisions on a majority basis, and they will be final and no appeals will be allowed.

Art. 19: The duties and powers of the Foreign Trade Council are: A. receive, study, approve or reject all requests for purchase of foreign currency for imports, in keeping with the general guidelines, regulations and priorities set by the government; B. make sure that exporters properly meet the requirements of the compulsory delivery of foreign currency; C. supervise and evaluate the application of the mechanism of compulsory delivery of foreign currency by exporters and the earmarking of currency to importers; D. suggest that the government implement any adjustment or changes that it may deem necessary to faithfully discharge its duties; E. report, through the official newspapers and through mass media, the list of individuals and corporations which are granted foreign currency allotments, as well as the purpose for which such currency will be used.

Art. 20: Requests to buy foreign currency for imports can be submitted to the Central Bank through the banking system. Requests, which must be submitted on a single form and accompanied by an affidavit, must meet all requirements set by the regulations to be issued by the Central Bank.

Art. 21: The Central Bank, through its appropriate department, will consider the above requests in keeping with the respective regulations and will hand them over to the Foreign Trade Council for their approval or rejection.

Art. 22: Foreign currency allotments granted by the Foreign Trade Council will be managed by the Central Bank in keeping with the regulations issued by this institution.

Transitory Provisions

Art. 23: Those exporters who have exported goods before (?July) 1982 and have failed to turn in their hard currency at the rate and in the manner in effect at that time must turn in their hard currency within 30 days of the issuance of this decree. This deadline will be subject to no extensions. Upon expiration of this deadline the Central Bank will collect a punitive interest of 4 percent per month.

Art. 24: Those exporters who have exported goods between July and the date of issuance of this decree must turn in the hard currency they have received for their goods within 5 days of having received payment or within 30 days after having received the export permit. Upon expiration of this deadline the Central Bank will collect a punitive interest of 4 percent per month.

The finance minister is hereby charged with the execution and enforcement of this decree.

According to Supreme Decree 19250, dated 5 November 1982, the Central Bank executive board issued a resolution setting the exchange rate for the U.S. dollar in the following manner: buyer's rate: 195.99 Bolivian pesos; Central Bank administrative commission: 1.5 per thousand, that is, 0.29 cents; national treasury tax: 1.8 percent, that is, 3.52 pesos; selling price to public enterprises and the banking system: 199.80 Bolivian pesos; bank commission 1 per thousand, that is,00.20 cents; final prices of the U.S. dollar: 200 Bolivian pesos.

BAHAMAS FOREIGN MINISTER TO SIGN TIAR, HOLD TALKS

PY082347 Paris AFP in Spanish 1516 GMT 8 Nov 82

[Text] Rio de Janeiro, 8 Nov (AFP) -- Bahamas Foreign Minister Paul Lawrence Adderley arrived today in Rio de Janeiro to sign the Inter-American Reciprocal Assistance Treaty [TIAR].

The Bahamas will be a new member of TIAR which was established in the neighboring city of Petropolis in 1947, with the objective of defending the Americas from any foreign aggression.

Adderley will sign the treaty with Maury Gurgel Valente, head of the Regional American Organizations Department of the Brazilian Foreign Ministry.

Tomorrow, Tuesday, Adderley will travel to Brasilia to meet with his Brazilian counterpart Ramiro Saraiva Guerreiro.

PDS LEADER KILLED IN BELO HORIZONTE 6 NOV

PY081520 Paris AFP in Spanish 2134 GMT 7 Nov 82

[Text] Belo Horizonte, Brazil, 7 Nov (AFP) -- A leader of the government Social Democratic Party [PDS] was murdered yesterday, Saturday, in Belo Horizonte, Minas Gerais State, during the campaign for the general elections that are to be held on 15 November, it was reported today in this capital. The murderers, who were able to escape, could be militants of another PDS faction, according to police information disclosed today in Belo Horizonte.

During the past few months, 20 candidates and campaign workers of the five political parties that are participating in the elections have been murdered. The elections will be for 22 state governors, 19 federal senators and 479 federal deputies, 949 state deputies and the mayors and town councillors of the 4,000 Brazilian municipalities.

BRIEFS

PETROBRAS SHALE PLANT -- Industry and Comerce Minister Camilo Penna approved today the bituminous shale processing plant to be installed in Sao Mateus do Sul in Parana State. The first stage of the projects should be put into operation within 38 months, with a daily capacity to produce 373 tons of fuel oil from shale; 32 tons of gasoline and 52 tons of sulfur. The construction of this first stage has been estimated at $112 million. [Brasilia Domestic Service in Portuguese 2200 GMT 4 Nov 82 PY]

EEC LOAN CONTRACT SIGNED -- The planning minister today attended the signing of an EEC loan contract granted to the Rio Doce Valley Company for $600 million to finance the development of the infrastructure works of the Carajas project. The contract was signed in Foz de Iguazu. [Brasilia Domestic Service in Portuguese 2200 GMT 4 Nov 82 PY]

INTER-AMERICAN AGRICULTURE INSTITUTE -- The Inter-American Agriculture Institute has granted $1.2 million (approximately 260 million cruzeiros) for the implementation of trading programs of agroindustrial products, and also for the development of a agro-energy project in Brazil. [Brasilia Domestic Service in Portuguese 2200 GMT 4 Nov 82 PY]

COMMISSION APPOINTED TO DEAL WITH EXILED CITIZENS

PY090040 Santiago Domestic Service in Spanish 2200 GMT 8 Nov 82

[Report from Government House by Graciela Contreras]

[Text] The government has appointed the special commission which will review the cases of persons forbidden to return to the country and will make the appropriate proposals to the president of the nation. This information was released during a press conference held this afternoon by Interior Minister Gen Enrique Montero, who also read Supreme Decree Number 1456.

[Begin Montero recording] In keeping with Article 32 of the National Constitution, [the president] decrees:

Article 1. A special commission is hereby created to study and propose to the president of the nation the decisions concerning the status of persons who have been forbidden to return to the country.

Article 2. This special commission will be presided over by the interior minister, Gen Enrique Montero, and will be made up of Justice Minister Monica Madariaga Gutierrez, and legal experts Miguel Schweitzer, Eugenio Valenzuela, and Ricardo Rivadeneira (Montreal). [end recording]

This supreme decree is signed by President Augusto Pinochet Ugarte and Interior Minister Enrique Montero. The latter added this afternoon that the commission will meet for the first time on Thursday at the Interior Ministry.

NAVY CHIEF TO DEPART FOR URUGUAY 11 NOVEMBER

PY061952 Buenos Aires LATIN in Spanish 0631 GMT 6 Nov 82

[Text] Santiago, Chile, 6 Nov (LATIN-REUTER) -- Jose Toribio Merino, commander in chief of the Chilean Navy and member of the government junta, will travel on Thursday to Uruguay for an official 6-day visit, it has been officially reported here.

Admiral Merino will participate in the celebrations of the 165th anniversary of the Uruguayan Navy, having accepted an invitation extended to him by his Uruguayan colleague, Adm Rodolfo Invidio, the report adds. Merino, who will travel with his wife, Margarita Riofrio, will be decorated with the Order of Commander Pedro Campbell Naval Merit of Honor in the grade of Grand Medal.

During his visit he will also participate in several professional meetings together with the deputy chief of staff of the Chilean Navy, Rear Adm John Howard Balarsque.

BRIEFS

ECONOMIC STATISTICS -- The national statistics director has reported that the inflation rate totals 15.5 percent thus far this year. He also reported that the consumer price index increased by 4.8 percent and the wholesale price index by 7.4 percent during October 1982. The wholesale price index increased by 28.4 percent during the first 10 months of 1982. The national statistics director also reported that unemployment in the greater Santiago area totaled 25.2 percent during August-October 1982. Similarly, the Sofofa [Industrial Development Association] reported that industrial production has decreased by 17.4 percent thus far this year. [Santiago Domestic Service in Spanish 2200 GMT 5 Nov 82 PY]

PANAMA'S PRESIDENT DE LA ESPRIELLA ARRIVES 8 NOV

Lopez Portillo's Welcome

FL082230 Mexico City NOTIMEX in Spanish 2130 GMT 8 Nov 82

[Excerpts] Mexico City, 8 Nov (NOTIMEX) -- Mexico has been the foremost advocate for peace in Latin America, Panamanian President Ricardo de la Espriella said here today as he was welcomed by his Mexican counterpart Jose Lopez Portillo at the presidential hangar.

In welcoming the Panamanian president, President Lopez Portillo said the specific circumstances of the region and those of the world in general call for communication among the peoples of Latin America. Lastly, the Mexican president said that the talks he will hold with De la Espriella would fully satisfy our two nations.

De la Espriella Speech

PA082034 Panama City Domestic Service in Spanish 1919 GMT 8 Nov 82

[Speech by Panamanian President Ricardo de la Espriella on arrival at Benito Juarez International Airport in Mexico City -- live]

[Text] Honorable citizens, President and friend Jose Lopez Portillo, we are very pleased to once again be in this brotherly country, the heroic cradle of the first Latin American revolution, the point from which our closest teacher and friend, Gen Omar Torrijos, initiated his flight of loyalty [referring to Torrijos' flight from Mexico to Panama when informed of a coup attempt in his country]

Mr President, our presence here is a reiteration of the Panamanian people's deep and profound gratitude to the people and government of Mexico for the continuous and brave Latin American support you offered us during Panama's very difficult struggle to recover its territorial integrity and the full exercise of its sovereignty.

Mr President, we particularly wish to reiterate the acknowledgement of our people and government for the brave and exemplary speech that you delivered, on behalf of all Latin American people, on 1 October 1979 in the heart of the former Canal Zone that we have recovered. That speech was delivered in front of people who were brimming with patriotism, people who were honored with your message.

Our presence is also a confirmation of how deeply we acknowledge the role that the Mexican revolution has played, and you were an example of that role on that date. We invariably continue to trust in that role.

Mr President, we have arrived seriously concerned about peace in the region between our two countries. This peace, of which Mexico has been a brave defender, must be secured with dignity and justice. We sincerely believe that we must build upon that peace, just as our permanent guide, General Torrijos, taught us. General Torrijos was a soldier of peace and, as a great admirer of Benito Juarez -- a great Mexican -- he made us understand that peace can only be based on respect for the inalienable and sovereign rights of our nations and on cooperation between our people and governments.

The region's interests demand that all countries search responsibly for individual and general political solutions and that all of us work to bring these solutions to fruition. Because of the seriousness of our common responsibility for the happiness and life of thousands of innocent people, we trust that the people and Government of the United States of America will share this concern with us and that they will know how to act realistically and with common sense in securing the same objective.

For this reason we have given continuous support to your regional peace proposals, Mr President. We have also supported the most recent Mexican-Venezuelan initiatives, which are very much in line with the Torrijist idea of struggling for detente, peace and the integral development of the region.

Mr President and dear friend, we know that the Mexican people are going through temporary but very complex problems that result from a crisis that affects the entire world, but we are very sure that this great people and their leaders are more than capable of facing the domestic problems that concern you with dignity and of solving them with exemplary national honor. Just as in the recent past Mexico unselfishly offered its brotherly support in our difficult struggles to achieve integrity and sovereignty, our presence here today is a reaffirmation of the continuous solidarity of the Panamanian people and government for their Mexican brothers.

The great Latin American fatherland, conscious of itself, careful defender of its own interests and brave builder of its own independent and brotherly future, must now face and will continue to face great tasks, which are a permanent bridge of common identity that our nations share in an unbreakable brotherly embrace.

President Lopez, please receive the everlasting love of the Panamanians. [applause]

CUBA'S RODRIGUEZ ARRIVES FOR DECORATION CEREMONY

FL090005 Mexico City NOTIMEX in Spanish 2315 GMT 8 Nov 82

[Text] Mexico City, 8 Nov (NOTIMEX) -- Carlos Rodriguez, vice president of the Cuban state, said today upon arrival at the Mexico City international airport that recent statements made by Soviet head of state Leonid Brezhnev respond to the obviously aggressive foreign policy of the United States.

The Cuban vice president explained that U.S. aggressiveness may be clearly seen by the large sums of money it has been spending on military armaments and by its deployment of 572 nuclear missiles in Europe targeted against the Soviet Union. The Cuban official added that despite this Brezhnev had also expressed Soviet willingness to negotiate because of the need for peace in the world.

Carlos Rafael Rodriguez was welcomed at the airport by Cuban Ambassador to Mexico Fernando Lopez Muniz. The Cuban official has come to Mexico to present the friendship medal to their former Mexican ambassador to Cuba and now senator from the State of San Luis Potosi, Gonzalo Martinez Corbalo.

Regarding the situation in El Salvador, Rodriguez said if the continuing massacres in that country are to be stopped, the French-Mexican proposal must be firmly supported. He added that if these realistic proposals for wide-ranging talks without prior conditions could be arranged, Cuba would give them its firm support.

SOCIALISTS ASSAIL ALLEGED U.S. PLANS AGAINST AREA

PA072032 Havana International Service in Spanish 1600 GMT 7 Nov 82

[Text] The United Socialist Party of Mexico [PSUM] has criticized U.S. plans to invade Nicaragua militarily and to intervene massively in El Salvador. During the celebration of its first anniversary, the PSUM warned that if such intervention takes place the Mexican democratic and anti-imperialist forces would have to enlist volunteers to fight in Central America in support of their brothers.

PSUM Secretary General Pablo Gomez asserted that Mexico cannot tolerate this U.S. interventionist escalation because it would be tantamount to admitting that Mexico could also be invaded at any time.

The U.S. newspaper THE NEW YORK TIMES has also criticized the Reagan administration for the covert war it is waging against Nicaragua from Honduras.

LOPEZ PORTILLO DEFENDS BANK NATIONALIZATION

PA080331 Madrid EFE in Spanish 0102 GMT 8 Nov 82

[Text] Mexico City, 7 Nov (EFE) -- Mexican President Jose Lopez Portillo said today that the decree that was promulgated last September turning private banks in Mexico over to the state (nationalization) was not a despotic act, but a nationalist and revolutionary one. The president, who will pass power on to his successor, Miguel de la Madrid, on 1 December, declared that Mexico's nationalization rescued the opportunity to decide the country's economic destiny from the hands of "rapacious minorities."

Mexican private enterprise representatives have sent Lopez Portillo a series of criticisms for the decision to nationalize Mexico's private banks, because some of the leaders saw it as "a step toward socialism" in the country.

Lopez Portillo said today that the Mexican state is only meeting its responsibility to defend the people's general well-being, by opening channels of justice and right in order to overcome a structure "of organized egotism that was making us poorer."

The president rejected statements by "minorities, organized in egotistic and rapacious systems, who have accused the government of abusing its power with the nationalization and who declare that their social rights have been violated."

Earlier, the president criticized those who ask for dollars from the Mexican economic system when they have piled them up on the other side of the border.

Lopez Portillo also decreed the establishment of a general exchange control last September.

The president remarked that the Mexican state, which is both nationalist and revolutionary, will deal with the minorities who claim that they have the right to organize into egotistic and rapacious adjuncts of a society that has been defeated in the state. He appealed to the Mexican people to continue their defense of the nationalization of private banks, which is being attacked, he noted, by sinsister reactionary forces that seek to halt the historic destiny of Mexico.

Emilio Gaicoechea, president of the National Confederation of Chambers of Commerce, flatly denied that there is a "split" between Mexican private enterprise and the government. The business leader said that Mexican investors have faith in the government, "because a country without authority cannot exist in the world, though we, the people, must define the limits of its actions."

AMADO ON FALKLANDS, PRESIDENT'S TRIP, INVESTMENT

PA070402 Panama City Circuito RPC Television in Spanish 1700 GMT 6 Nov 82

[Passages within quotation marks recorded]

[Text] Panamanian Foreign Minister Juan Jose Amado said that Panama's position on the Malvinas issue will not affect relations with Great Britain. Foreign Minister Amado reiterated that Panama's position on this issue is clearly in support of the Argentine Government and people. Here is a statement made by Foreign Minister Amado for our reporter Rene Hernandez:

["Question] Will Panama's position affect relations with Great Britain?

"[Answer] Relations with Great Britain are normal, as usual. There is communication and understanding between our countries. In the case of the Malvinas, Panama has very clearly defended Argentina's sovereign rights and opposed the colonialist situation in America. Ambassador Ozores' speech at the United Nations was an exact expression of Panama's clear and firm position on that issue."

When asked if Ambassador Ozores' statement would affect negotiations underway with Great Britain on investments, Foreign Minister Amado said:

"[Amado] I don't think Ozores' statement will have an adverse effect on the negotiations. As a matter of fact, his statement reiterates what Panama has been saying for months on the Malvinas issue.

"[Question] Mexico and Venezuela are promoting peace negotiations for Central America; do you think that President de la Espriella's visit will reinforce those efforts?

"[Answer] Yes, I do. President de la Espriella has shown great interest in these efforts to achieve peace in Central America, so that the people of this region can live in a climate of peace, stability, progress and development. The Mexican-Venezuelan proposal definitely needs the support of a number of countries if it is to be rendered effective. If the countries of this hemisphere, especially those that actively participate in the social, political and economic development of the American Continent, give their support to these efforts, perhaps this can establish the necessary means of bringing the feuding groups in Central America together, to discuss their differences peacefully. This would certainly reduce the cost in lives that their current differences are demanding from the people of Central America."

The Governments of Panama and France just signed an agreement establishing the rules for French investment in our country. This was Foreign Minister Amado's opinion:

"[Amado] It is a document that not only regulates French investments here; it encourages investments, based, among other things, on our good bilateral relations.

"[Question] One more question, Minister Amado. Are there plans to carry out similar negotiations with other countries?

"[Answer] We are already negotiating various agreements with Great Britain and with the FRG, and we have special interest in accelerating our negotiations with Japan, so that Panama can consolidate its position as a center for investments."

SPADAFORA CRITICIZES CUBANS IN NICARAGUA

PA080153 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Nov 82 pp D15, D16

[Article by Dr Hugo Spadafora, former Panamanian deputy health minister, "published recently in the international edition of the Costa Rican newspaper LA NACION"]

[Excerpts] During the time that I worked as a government official in General Torrijos' government (1973-78), specifically as deputy minister, my relations with Cuban authorities were more than good; they were excellent.

My relations with Cuban communist military advisers, who were with us on the southern front during the last weeks of the struggle against Somoza, were also good.

During the last days of the war, as the military commander in charge of Sapoa, I had to evacuate one of them in my jeep. He had been wounded, only 3 meters from where I was, in an air raid in which two soldiers were killed, one a Costa Rican, and three were wounded, including a Cuban.

That is why I gladly accepted when Commander Pineiro, one of Fidel Castro's closest advisers and chief of the Cuban Communist Party Central Committee's Americas Department, invited me to visit Cuba in August 1980 to express my views on the Central American situation. At that meeting, held in a very cordial environment, I honestly and clearly gave the high Cuban officials my views on the role of social democracy and Bolivarian internationalism in Latin America.

Though I was a comrade in arms to the Cubans in two wars and though I am their political friend, on the basis of my Torrijist, social democratic and nonaligned position, today I am ready to fight them with weapons in hand on Nicaraguan soil. Though I am a supporter of good diplomatic and economic relations between my country and Cuba and a defender of Castro's aid to Angola, Mozambique and Guinea-Bissau, I am also definitely opposed to the Cuban military presence in Nicaragua. Is there a contradiction in these positions? Is this evidence of political incoherence and inconsistency?

The dedication to my book reads "with revolutionary reverence and fervor for Amilcar Cabral, my teacher and guide in thought and political action"; on page 75 of the same book the following words, uttered by Cabral at the second conference of heads of states and governments of Nonaligned Countries (Cairo, 1964), have a place of honor:

"We want to implement a strict policy of peaceful coexistence and of peace with all of the peoples and states (...) to contribute with this (to universal civilization) to independence, fraternity and equality with all peoples. We do not believe that it is necessary to meddle in the ills and ideological conflicts that divide the world. We must remain aligned with our own peoples' fundamental aspirations. There is, however, within the ethics of our nonalignment, a vital need for alignment; we should always be prepared to assume -- and be very free to do so -- any position that seeks to serve the dignity, independence and progress of peoples.

In these words and in the entire contents of my book you will find an explanation of my internationalist activities, which have been so badly misinterpreted, provoking such unjust epithets as "communist," "pro-communist," "useful fool," and so forth.

History tells us that alliances and convergence of actions are instruments and situations that normally take place as everyday political events. Social democracy, especially in Europe, has a long record of experience, studded with both victories and defeats, involving alliances and convergences with the communists in some struggles or on some specific problems. The popular front's policy against Hitler's barbarity; the alliance with the communists and other forces in the struggle against Francoism, both prior to and after Franco's death in Spain; the convergence in political and economic support given to many liberation movements in Africa; Torrijos' social democratic and Third World policy, characterized by good relations with the communists in both domestic and international policy; the decisive support given by the social democrats and communists to the Sandinists in the struggle against Somoza... [sentence, ellipses as published]

The alliances, pacts, convergences and agreements that the social democrats have made in various countries with communists, Christian democrats, liberals and other forces were realistic responses to the specific problems and needs of peoples at given moments in time. It should be no surprise that the social democrats, free of any alignment with the imperialist superpowers and in line with their policy of "always being prepared to assume any position that seeks to serve the dignity, independence and progress of peoples," sometimes agree with the communists and sometimes do not, and that they definitely oppose the deviation and dehumanization of the Sandinist revolution in Nicaragua.

Since the nine "commanders" have established a military dictatorship in Nicaragua, the solution to this contradiction is of a military nature; and as, in war, it is vital to know one's adversaries, both present and future. I think that discussion of the Cuban issue, its myths and realities, is opportune and necessary.

The bravery and courage of the Cuban soldier needs no further confirmation. Anyone who knows the history of that heroic island must bow with reverent respect and admiration to the memory of thousands of heroes and martyrs who have confirmed the great fighting qualities of the Cubans over many generations. For their bravery and courage, which are real and recognized, they have earned a mythical reputation in the people's imagination, thanks to Cuban victories in faraway places, especially in Africa. This Cuban image creates in many -- in too many, in fact -- an exaggerated fear of what Cuban participation in the armed struggle that will take place in Nicaragua could mean.

This is the eternal problem of myths... of "supermen," of "superior races," of "invincible soldiers."

How many mistakes, catastrophes and disasters this has cost nations and leaders. If myths by themselves are strong phenomena that elicit admiration and have great impact, still more admirable and impressive is the sudden and dramatic way in which they generally disappear, like a mirage, from one day to the next.

Should the Cubans remain to defend the nine dictator "commanders" with arms, Nicaragua will be the grave of the myth of "Cuban invincibility," just as the "invincibility of the gringos" was destroyed by Sandino's machetes and bullets in Las Segovias and as the myth of the permanency of the Somozist dynasty was blown to pieces by Sandinist mortars and rockets.

I don't think that anyone, especially in Cuba, can say that the Cuban soldiers who won triumphant laurels in Angola and Ethiopia were more brave and determined or better trained than those who struggled and failed in hundreds of actions in Latin America during a decade of futile efforts, particularly the heroic companions of the legendary Che Guevara in Bolivia. The factor that defines the dividing line between victory and defeat in these Cuban experiences is not the fighting ability of the soldiers involved; the issue depended, and still depends, as in all wars, upon the total historical and political context surrounding each case.

At this point in the discussion, I will contribute my personal testimony. As I say in my book, as a young man of 25 years of age -- in 1965 -- living on a continent tnat was teeming with guerrilla groups, I thought that the right thing to do was to go to Africa, to contribute my energy and knowledge to a cause that was historically valid. Today, the colony in which I fought beside the African blacks for their independence is a proud and independent republic; but in the meantime, none of the guerrilla groups, which could be counted by the dozens at one time in Latin America, had succeeded. Thirteen years later -- 1978 -- I decided to create a brigade of Panamanian volunteers who, encouraged by the solidaristic warmth of all Central American and Latin American peoples, went to fight beside the Sandinists in Nicaragua, where, in the decades of the 50's and 60's guerrilla groups created by Nicaraguans and Cubans had failed.

The Sandinist cause won and the Panamanian brigade departed a week later, leaving behind their quota of blood, with 21 dead and many wounded in combat.

For all of these reasons, I can state with assurance that Fidel Castro is running the great risk of being the victim of several myths in Nicaragua. Sandino's country, which inflicted a military defeat on the Gringos in the 30's and brought down a 40-year-old dynasty supported by the Gringos in 1978, is neither Ethiopia nor Angola. The only foreign troops in Nicaragua, sent there by their respective governments and armies, are those from Cuba and other communist countries. The only foreign military intervention that Nicaraguans feel and see every day in their country is Cuban. The Nicaraguans know that the Cubans did not go to Nicaragua -- for they were also there before the victory -- to save them from a foreign invasion, as was the case in Angola. The Nicaraguan people know that the nine "commanders'" unpopular and loathed dictatorship is using the Cuban presence to support their neo-Somozist government.

Sooner or later, Fidel Castro will realize -- sooner, we hope -- that the Nicaraguan people, like the other peoples of Latin America, do not want communism or foreign troops on their territory. Our peoples do not want to live under the dominion of any imperialism, Gringo, Russian or that of any other color. If the Cubans take up arms to defend the dictatorship of the nine "commanders," they will have a tragic experience for the first time: They will have to fight while surrounded by people who hate them, who look on them as interventionists, militant and experienced people who fought in the anti-Somozist war, led by their natural revolutionary leader: Eden Pastora. These are brave and heroic people who will force them to taste the dust of defeat.

This is a challenge in which issues that are of great importance to our peoples are at stake; that is why many of us have offered their lives, because the choice is to win or to die.

COMMUNISTS URGED END TO 'MILITARY DICTATORSHIP'

PA071830 Panama City LA PRENSA in Spanish 6 Nov 82 p 1

[By Jose Quintero de Leon]

[Text] The Marxist-Leninist Communist Party of Panama (PCML), has issued a document stating that its main political goal is the overthrow of the current military dictatorship and the establishment of a provisional revolutionary government formed by a democratic and patriotic coalition.

The PCML's second priority is the repeal of 1972 constitution, along with antidemocratic laws and decrees which it believes are detrimental to the people's sovereign interests.

The party's third priority is the issuance of a provisional statute guaranteeing absolute political freedom for the working class, as well as for political and propaganda activities by its members and those of other revolutionary movements.

Another important point broached, is the immediate convoking of a people's constituent assembly -- which will set the legal-political bases for a popular democratic workers republic in free, general, secret and direct elections.

The PCML also asks for democratic political amendments, particularly: The basic principle of the democratic republic being that "power belongs to the working class, and is wielded directly by it." Furthermore, the party requests that complete political and press freedom be guaranteed as well as the exercise of democratic rights.

The PCML asks for the trial and punishment of those who masterminded and staged the 11 October 1968 coup as well as those who cooperated with them; the limiting of the political rights granted to agents of Yankee and Soviet-Russian imperialism; absolute economic, political, and social freedom among men and women as well as other aspects of economic, foreign and cultural policy.

SILENCE ON U.S. TREATY VIOLATIONS CRITICIZED

PA080128 Panama City LA REPUBLICA in Spanish 7 Nov 82 p 6-A

["Vox Populi" column by Luis Restrepo Rosas: "Dangerous Silence"]

[Text] Almost 6 months ago, the Panamanian Government notified the U.S. Government of the removal of Mr Roberto Heurtematte as a Panamanian member of the Panama Canal Commission Board of Directors and of his replacement by labor leader Philip Dean Butcher.

Time has passed and the United States has yet to ratify Butcher's appointment. That is why the July Board of Directors meeting was unusual in that Panama had only three representatives on the Board of Directors, due to the U.S. nonfulfillment of the canal treaties.

I have learned that after Butcher's appointment as a Panamanian representative on the Board of Directors, the United States decided to replace three of its representatives on the Board of Directors and, in this case, it acted as quickly as possible to appoint the new members.

Panama has now announced the replacement of three of its representatives on the Panama Canal Commission Board of Directors. Let's see how long it will take the United States to appoint them.

Though the United States commits these violations of the Torrijos-Carter treaties, Panama does not respond with the appropriate diplomatic actions. That is why the United States has been committing these violations with increasing frequency. Another example is the case of the planned canal toll increases. The other side unilaterally decided to postpone decisions on this issue until March, which will cause several million balboas worth of losses to Panama. We have not seen the appropriate diplomatic protest in this case or in many others that have been denounced. These include cases in which U.S. officials with the Panama Canal Commission have insulted the Panamanian Government and the National Guard; the campaign against Panamanian Deputy Administrator Fernando Manfredo and Anel Beliz; and the attack on Dr Ana Mora de Wakeland. We have not seen a single protest from the Foreign Ministry or other Panamanian Government organizations.

It seems that we will maintain the policy of "not disturbing the neighborhood by making noise" that an arrogant U.S. military officer recommended and that we consistently carry out. Not only are the neighbors not disturbed; President Reagan isn't either.

It seems that we have learned nothing from the failure of our policy of resorting to letters, messages and talks with the other side's leaders, though that policy has produced no positive results for us. Proof of this is the fact that the acts of aggression on wages, racial discrimination and nonfulfillment of the treaties continue. However, we hear no protests from our Foreign Ministry.

That is why the "Zonians" led by Cotton, McKabney, Laverty, Gordon, Morgan, Friar, Bouche, Boatwright and many others grow increasingly more aggressive.

However, as the Panamanian victims of these acts of aggression have told me, our Foreign Ministry remains paralyzed.

CANAL OFFICIAL ON HIGHER PROFIT, PIPELINE EFFECT

PA061647 Panama City Televisora Nacional in Spanish 2300 GMT 5 Nov 82

[Text] The increase in payments for the use of the Panama Canal, which exceeded $81 million, was the result of the improvement plan that was implemented. This plan included straightening the curves, expansions and a new lighting system, according to Anel Beliz, Canal Commission public relations director:

[Begin recording] [Beliz] The plan to improve the canal has continued with the installation of a new lighting system, permitting greater transit, straightening the curves, expansion projects and so forth. In the past 3 years, the canal has been constantly improved with positive results. That is actually the reason for this increase in payments to the Panamanian Government.

[Question] There has been a lot of talk about the fact that our canal will be somewhat obsolete by the year 2000. We would like to know if these increased revenues will permit special investments to expand the canal's facilities.

[Answer] In our opinion, the claim that the canal will be obsolete by the year 2000 is quite a premature estimate. Studies are currently underway to make even greater improvements in the canal, such as widening the Culebra Cut and other aspects which will ensure the profitable operation of the canal -- and we are quite certain of it -- far beyond the year 2000. Therefore, these claims from sectors either in favor or against the canal are not entirely correct.

In fact, we are constantly promoting the improvement plan and the training of Panamanian personnel to take over the operation of the canal. Furthermore, we are creating specific reserves from the canal revenues to implement these projects.

Now then, the fact that we have had a record profit this time and a greater sum has been paid to Panama does not mean that this will be permament. There is a physical limit to the number of vessels that can transit the canal. Furthermore, the pipeline between Chiriqui Province and Bocas del Toro Province will start operating this year. This pipeline means that the canal revenues will be reduced. That is, all tanker traffic will no longer use the canal because they will deliver the oil in Chiriqui to be passed through the pipeline to the Atlantic, where it will be pumped into vessels waiting in Bocas del Toro. We understand the pipeline is already being tested with a view toward starting operations very soon. Therefore, that operation will reduce the canal revenues.

Nevertheless, we are already planning to have those vessels not using the canal replaced by other vessels in response to a campaign to promote greater use of the canal that we are preparing. [end recording]

NEW SUPREME COURT MAGISTRATES APPOINTED

PA072342 Panama City MATUTINO in Spanish 6 Nov 82 pp 1-A, 6-B

[Text] Deputy Government and Justice Minister Jorge Federico Lee has given MATUTINO the full list of the Supreme Court's new magistrates and alternates. Such appointments are the exclusive responsibility of the executive branch.

For the First Civil Court, the magistrates are Juan Alvarado, Luis Carlos Reyes and Rodrigo Molina, the alternates being Hernan Delgado, Harry Marquez and Heraclio Sanjur.

For the Second Criminal Court, the magistrates are Americo Rivera, Bernabe Perez and Jorge Chen Fernandez, the laternates being Gustavo Escobar Pereira, Rene A. Diaz and Rogelio Cruz.

For the Superior Appeals Court, the magistrates are Mairsol Reyes de Vasquez, Rafael A. Dominguez and Dr Camilo O. Perez; their alternates being Anibal Illueca, Edgardo Arias and Carlos Arce.

The new Supreme Court magistrates were appointed on the basis of strict legal criteria, according to the government and justice deptuty minister. These appointments represent promotions, within the legislative branch, of lawyers of national and international renown.

COSTA RICA

MONGE CRITICIZES NICARAGUAN ARMS BUILDUP

PA081440 San Jose Radio Reloj in Spanish 1200 GMT 8 Nov 82

[Text] San Juan, Puerto Rico -- Costa Rican President Luis Alberto Monge said yesterday that there is no justification for armed aggression in Central America and that Nicaragua's arms buildup policy is viewed by other Central American nations as a justification for intensifying their own arms buildup.

During a news conference at the San Juan Convention Center the president said that the Costa Rican people see no justification for any armed aggression in any Central American country. He said: There are philosophical differences between Costa Rica and Nicaragua, but as long as there is mutual respect we will maintain diplomatic relations with them.

The Costa Rican president arrived in San Juan on Saturday for a 4-day visit on an invitation from the League of Cooperatives. The league held its annual congress yesterday.

In reference to military confrontations between Nicaragua and Honduras, President Monge said he has supported efforts aimed at promoting negotiations to reduce Nicaragua's arms buildup.

Monge said that because of the tense situation in Central America, Costa Rica will remain strictly neutral. The Costa Rican Government dissolved its army 34 years ago, he said.

Regarding the role of the United States in Central America, Monge, who recently visited President Reagan in Washington, said that guerrilla actions supported by Havana and Managua may be the reason for U.S. actions.

DEPUTY CRITICIZES RELEASE OF ANTI-SANDINIST

PA060139 San Jose Radio Reloj in Spanish 1200 GMT 5 Nov 82

[Text] The Naranjo mayor's office decided to release Nicaraguan anti-Sandinist leader Fernando Chamorro Rapacciolli after his arrest by agents of the Judicial Investigation Organization, OIJ, and returned the weapons they confiscated from him because Chamorro Rapacciolli produced a permit to carry them.

According to an official source, the Security Ministry had issued Nicaraguan Chamorro Rapacciolli a permit to carry an unlimited number of any type of weapons.

Meanwhile, Deputy (Ardon Ramirez) said this case is really important because in our country the government has repeatedly stated that it will not permit any action against Nicaragua. With this statement the people's revolutionary movement legislator started his comments concerning the decision of the Naranjo mayor's office to release Fernando Chamorro Rapacciolli after dropping all charges against him. He voiced his concern that the decision of the Naranjo mayor responded to political considerations, and he said he had been informed that the mayor had even received phone calls from important Costa Rican Government officials presently in the United States, asking her not to create greater problems for Fernando Chamorro Rapacciolli.

(Ardon Ramirez) noted that such attitudes are irresponsible. The unworthy position of those who feel that in order to obtain a few pesos it is necessary to kneel and do things to please the U.S. Government compromises our friendly policy.

PUBLIC SECURITY MINISTRY CANCELS ARMS PERMITS

PA062227 San Jose Radio Reloj in Spanish 0100 GMT 6 Nov 82

[Excerpts] All Public Security Ministry permits to carry weapons have been cancelled as of today, in accordance with a State Security Council decision. As a result of problems arising from the increasing number of requests for such permits, it was decided that everyone authorized to carry weapons must reregister.

One of these problems is that many of the permits authorize the use of various weapons, without specifying calibers. This omission should be rectified.

There has recently been an unusual increase in the number of people who are requesting weapons permits, which has created concern among the authorities. The situation requires careful study of the motives underlying these applications.

The Security Council decided to conduct an investigation into the kind of weapons for which most permits are requested and into the ways in which these weapons were obtained. A council session demonstrated concern at the fact that so many weapons are in private hands. There has been a coincidental increase recently in crime and violence, and the government is seeking a solution that can forestall greater problems.

Meanwhile, it has been revealed that the Security Council has given Fernando Chamorro Rapacciolli, an anti-Sandinist leader, 24 hours to give the public security authorities the illegal weapons that were recently confiscated from him and subsequently returned to him by the mayor of Grecia.

The State Security Council has decided that the permit that was issued to the anti-Sandinist Nicaraguan leader does not authorize him to carry the military weapons that were confiscated by the Judicial Investigation Organization. It was also decided to review Chamorro Rapacciolli's case, in terms of his residence in the country. Chamorro could be deported for carrying such military weapons through the nation's territory. The immigration authorities will study his case and decide on the basis of the Security Council's provisions.

The mayor of Naranjo and judge of Grecia [as heard] were too naive or too liberal in their interpretation and should not have returned the weapons on the basis of the permit shown by Chamorro Rapacciolli.

As a result, the Security Council met this morning to assess the situation and decided to cancel all permits; therefore, anyone with such permits should turn them in for revalidation, so that the authorities may make the necessary corrections and specify calibers, rather than merely using the word various, as is now the case.

EL SALVADOR

GOVERNMENT SOURCES DENY RUMORS OF ABORTED COUP

PA082056 San Salvador Radio Cadena YSKL in Spanish 0811 GMT 8 Nov 82

[Text] This afternoon government sources denied that an aborted coup d'etat had taken place in the country during the past 24 hours.

The consulted sources said the rumors arose over the weekend as a result of a publication issued by middle-ranking army sectors of which government sources claimed to have no knowledge.

The rumors are intended to provoke uncertainty among the people, but as time pases these rumors disappear. Today more than ever the government has begun to consolidate a firm and solid democratic process, so that the democratic system will become a reality in the country.

POLITICAL PARTIES REPORTEDLY FORM COALITION

PA090128 Panama City ACAN in Spanish 1814 GMT 6 Nov 82

[Text] San Salvador, 6 Nov (ACAN-EFE) -- The National Conciliation Party (PCN) has created a parliamentary coalition with the Christian Democratic Party (PDC) and Democratic Action (AD), thus ending the rightwing majority in the Salvadoran Constituent Assembly.

The PDC, PCN and AD have established the "Democratic Center" [Centro Democratico -- CD] which has 30 of the 60 votes at the assembly. The coalition is now waiting for a PCN deputy to decide whether he will stay in the party or join the PCN splinter group created in late August.

Since the Constituent Assembly was formed in March of this year, the original 14 PCN deputies have been aligned with the ultrarightwing National Republican Alliance, Arena, which has 19 seats, thus together constituting a majority in the assembly.

If Deputy Moran Castaneda decides to join the coalition, the CD would obtain a majority in the assembly just as the new political constitution is being drafted.

The rightwing has 19 Arena deputies plus 9 of the PCN's "autonomous group," which, even with the possible support of the only Salvadoran Popular Party (PPS) deputy, would total only 29.

It has been learned that the PCD is trying to replace Maj Roberto d'Aubuisson of Arena and Deputy Maria Julia Castillo of the PCN's "autonomous group" as the assembly president and vice president, although this has not been officially confirmed.

PCN DENIES REPORTED PARLIAMENTARY COALITION PLAN

PA090241 Panama City ACAN in Spanish 1815 GMT 8 Nov 82

[Excerpt] San Salvador, 8 Nov (ACAN-EFE) -- The National Conciliation Party (PCN) has denied that it will form a coalition with the Christian Democratic Party (PDC) but it did not rule out a "verbal agreement" to vote jointly and consistently with the PDC within the Constituent Assembly.

On Friday, several PDC deputies informed the morning paper LA PRENSA GRAFICA that a parliamentary coalition, to be called the "Democratic Center," would be formed by the PDC, the PCN and Democratic Action (AD).

If this coalition were formed, the three groups would hold 30 of the 60 seats in the assembly, which means that the rightwing would lose the majority it has enjoyed ever since the assembly was established.

The possibility of this parliamentary pact has not yet been confirmed by the PDC national leadership.

In a news conference this weekend, the PCN Executive Committee said that a union between that party and the Christian Democrats "would not fit in with either of their ideologies."

However, the PCN leaders did admit to holding negotiations with the PDC and AD, "to consolidate the democratic process," but said that "there has been no specific talk about a Democratic Center." The leaders said it is common for deputies to "unite in order not to oppose appointments and other activities that in the final analysis do not affect the policies of the two groups."

Regarding rumors that the assembly might decide to oust its president, Roberto d'Aubuisson, leader of the rightist National Republican Alliance, the PCN leaders said that their party "will always support Major d'Aubuisson." They admitted, however, that maneuvers are underway to replace Maria Julia Castillo, vice president of the assembly, "because she does not represent any party."

AD LEADER VIEWS FMLN-FDR DIALOGUE PROPOSAL

PA071757 San Salvador EL MUNDO in Spanish 5 Nov 82 p 3

[Text] Rene Fortin Magana, secretary general of Democratic Action, AD, said that the dialogue proposal submitted by the FMLN and the Revolutionary Democratic Front, FDR, should not be hastily rejected or condemned. Nevertheless, he said, under no circumstance are we going to accept negotiations to share power with them.

Fortin Magana was guest lecturer at the conference for peace held Wednesday and Thursday in the Alameda Hotel in San Salvador.

Speaking to hundreds of peasants attending the conference organized by the Democratic Popular Unity, Fortin Magana said that under the country's present conditions, "when we are facing a catastrophic situation, it is necessary for all of us to achieve a climate of tranquillity and peace."

Further on he said that since there is a dialogue proposal, the dialogue should be held without setting conditions or demands to change the structure of the armed forces or the country's socioeconomic organization. "In short," he said, "no attempt should be made to change the state's structure or its democratic aspects."

Fortin Magana said that AD is in favor of maintaining an open mind as Colombian President Belisario Betancur has done by sitting down with the extremists to have a dialogue. "That way we would see what political status they want." Fortin Magana added. Further on, the speaker said: "I think that the Apaneca pact peace commission will have to look into this matter."

TREASURY POLICE CREATE OPERATIONAL COMMAND

PA070403 San Salvador Radio Cadena YSKL in Spanish 1803 GMT 6 Nov 82

[Text] A special command for operations that is trained in urban antiguerrilla warfare has been created, composed of members of the Salvadoran Treasury Police. The Treasury Police are one of the five security corps in El Salvador, the others being the National Guard, the National Police, the Customs Police and the Municipal Police.

The members of the special command for operations are trained in mountain climbing , in explosives and in the use of all kinds of weapons and are all expert marksmen.

The new department of the Treasury Police, the first of its kind in El Salvador, was inaugurated yesterday. High civilian and military authorities were present.

COPREFA ANNOUNCES ROUTINE OFFICER TRANSFERS

PA082318 Panama City ACAN in Spanish 2251 GMT 8 Nov 82

[Text] San Salvador, 8 Nov (ACAN-EFE) -- The Armed Forces Press Committee (Coprefa) has reported that nine high-ranking military officers were transferred today by the Salvadoran Armed Forces general staff.

The transfers include Col Nicolas Carranza, president of the National Telecommunications Administration (Antel), who will become president of the Lema River Hydroelectric Executive Commission (CEL). He will be replaced by Col and Eng Julio Cesar Gomez. The CEL presidency was vacant. Until today, Colonel Gomez held a post in the Defense Ministry engineering department.

Immigration Director Col Agid Benavides has been transferred to department "four" of the armed forces staff.

Lt Col Elmer Gonzalez Araujo, chief of the presidential staff, was transferred to the command of the Sonsonate garrison, replacing Col Maximiliano Leiva.

Col Edmundo Palacios, chief of the garrison of the 1st Infantry Brigade (San Carlos), will now be chief of the presidential staff and will be replaced in his previous post by Col Adolfo Blandon, previously chief of the 2d Infantry Brigade, headquartered in Santa Ana.

The Santa Ana garrison will be under the command of Col Mario Alberto Reyes, previously chief of the El Paraiso garrison in Chalatenango, where he will be replaced by Colonel Leiva.

Lt Col Rene Melara Vaquero will be in charge of the General Directorate of Immigration, replacing Colonel Benavides.

According to Coprefa, these changes in the armed forces are routine.

RIVERA Y DAMAS COMMENTS ON POLITICAL DIALOGUE

PA080453 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 8 Nov 82

[Text] Many sectors of the Salvadoran people have expressed support for a dialogue, by which to seek a political resolution of the conflict. On the subject of this dialogue, Msgr Rivera y Damas said [words indistinct] the church prefers peaceful methods to warlike techniques. In this respect, we are pleased to note that good sense, favoring social and political coexistence, is gaining ground. The monsignor added that both parties engaged in the conflict have demonstrated the political desire, which is growing more clear every day, to solve the conflict through humane and democratic channels.

Top church officials have expressed the guerrillas' desire to hold a dialogue and to achieve a political resolution of the conflict to the government and the armed forces high command, Msgr Rivera y Damas added.

Meanwhile, vast sectors of the people have expressed support for such a dialogue as a promising formula for finding political channels that can lead to the resolution of the conflict and thus put an end to the genocide and restore the peace that is so desired by us all.

Despite the attempts of the extreme right to silence those sectors that favor dialogue, these sectors have continued to express support for the idea, as they feel it to be a duty to history and to the fatherland. The people's goal is to secure peace, which is why dialogue is both just and necessary.

Further Remarks

PA082321 Havana International Service in Spanish 1600 GMT 8 Nov 82

[Text] Msgr Arturo Rivera y Damas, apostolic administrator of San Salvador, has rejected assertions that human rights are being respected in El Salvador and has accused the security corps of that Central American country of engaging in hateful practices.

The archbishop said that if there is no sound judicial system someplace, it is because democracy does not exist there.

During his Sunday homily Rivera y Damas said that if the judicial authorities acquitted or sentenced the right people, the detestable practices of holding people in solitary confinement, the torture and the murder would come to an end.

The high-ranking Salvadoran prelate blamed the security corps for these violations of human rights which, he said, have gone on for over 3 years in El Salvador.

The archbishop strongly criticized and asked for the lifting of Decree 507, which allows the Salvadoran regime to arrest people and hold them incommunicado for indefinite periods.

The apostolic administrator of San Salvador also acknowledged the fighting capacity of the FMLN, noting that the large number of troops the army has to devote to patrolling roads and highways shows the strength of the Salvadoran guerrillas.

GUATEMALA

SPOKESMAN DEFENDS PRESIDENT, GOVERNMENT

PA062301 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 6 Nov 82

[Text] President Efrain Rios Montt is a Christian who is in office by God's will and who maintains a humble and reverent attitude, presidential spokesman Rafael Escobar has said. He added that the Guatemalan Government respects human rights.

These remarks are included in a statement sent by Escobar to Cardinal Luis Aponte Martinez, editor of the official Catholic publication in San Juan, Puerto Rico called EL VISITANTE. The statement refuting the Puerto Rican publication was distributed to the Guatemalan press and foreign news correspondents.

According to Escobar, EL VISITANTE published charges that were subsequently reported internationally. He said EL VISITANTE described Rios Montt as a religious fanatic and a radical anticommunist and claimed that 500 to 1,500 people have beem murdered in Guatemala since the current government took office on 23 March.

The Guatemalan Government spokesman said that, on the contrary, the greatest respect for human rights has been guaranteed since the young army officers' coup on 23 March. He added that the murders and massacres that were earlier committed in our poor country by criminal gangs for political reasons have ceased. He also said that 5,000 Indian peasants who cooperated with the Marxist guerrillas decided to turn themselves in to the authorities in San Martin Jilotepeque. He added that reports that they were surrounded by the army and were going to be killed were false.

BANK OF GUATEMALA PRESIDENT PRESENTS REPORT

PA060221 Guatemala City PRENSA LIBRE in Spanish 27 Oct 82 pp 6, 66

[Text] Guatemala's foreign reserves at present total $500 million, and the foreign debt is $800 million. Our currency will not be devalued, and the country's inflation rate is lower than that of other countries.

Bank of Guatemala President Jorge Gonzalez del Valle stated this yesterday on presenting a report to the State Council at the invitation of State Council President Jorge Serrano Elias.

Gonzalez del Valle arrived at 0830, and after his report on the credit, banking and exchange policies of the country he was extensively questioned by the state counselors. He offered full explanations for several hours, staying until after 1200.

In relation to credit policy, Gonzalez del Valle said the Monetary Board's goal has been to inject the national economy with monetary expansion through credit, which increased 30 percent this year in comparison to last year. Credits have been especially granted to the construction sector, which has been hard hit by the country's economic recession. Concerning credit policy, he indicated that they have stimulated the expansion of private banks. As for the state banks, such as the National Agriculture Development Bank, Bandesa, they have increased credits for small- and medium-sized farms and for the cooperatives.

Speaking about the National Financial Corporation, Corfina, he said a complete reevaluation was necessary because in recent years it experienced a massive exaction higher than that of the Guatemalan Highways Development Company, DAG. Nevertheless, it will handle credit programs for small and medium industry.

Inflation

Referring to the inflation rate, Gonzalez del Valle said that internationally Guatemala has one of the smallest inflation rates, estimated between 3 and 4 percent. Inflation is revealed by the increase of prices and the trade deficit.

We hope to be able to reduce the negative trade balance by $200 million, so at the moment there are no signs that the inflation rate will rise.

Interest

In relation to interest rates, Gonzalez del Valle indicated that they want to make them more flexible, but this will not be possible until after 14 November, when the agreement with the IMF concludes.

Banking Policy

Referring to banking policy, he said there is a professional private banking sector, which since last April has maintained good relations and cooperated with the Monetary Board.

Gonzalez del Valle emphasized the need to maintain a solvent banking system to prevent bankruptcy, and that they have never considered intervention, although they have reinforced some banks whose monetary reserves became weakened.

Gonzalez del Valle stressed that the monetary policy is satisfactory and if necessary it would be reinforced. He also mentioned that requests for two new banks and a finance institution are being negotiated.

Before the end of the year a decision will be made on whether or not they will be granted. There are also two foreign banks that wish to open branches in the country, and this shows that they have confidence despite the recession.

Exchange Controls

He said the exchange situation was the most controversial issue. Since the change in government on 23 March, there has been a campaign going on to eliminate exchange controls which would be hazardous for the country. The exchange control plan has not been modified since April 1980.

The objective of the Monetary Board is to soften the control of exchange until it is completely eliminated, which may be achieved by 1984.

Foreign Reserves

Gonzalez del Valle pointed out that the foreign reserves were affected by the disasters of the past 2 years, during which $430 million were lost, which is equivalent to half the foreign reserves held in 1978.

The drain on foreign reserves has been checked. This year the losses will be of 23 million quetzales, and next year 20 million quetzales.

The current foreign reserves total $500 million, enough to pay for 4 months' imports.

Regarding the backlog of business applications for foreign exchange, he said that in August there were exchange requests totaling 450 million [currency not specified], and now they have been decreased to 150 million [currency not specified].

He said that a $120 million loan was obtained and used to cover the most pressing requests in the backlog, which is expected to disappear by Christmas.

Quetzal Will Not Be Devalued

Regarding exchange procedures, the president of the Bank of Guatemala reaffirmed that the quetzal will neither be devalued nor floated. The Monetary Board will not fall into the black market's trap, which is already beginning to have deadly consequences such as false bank documents, stealing and other actions common to the mafia.

Rumors regarding currency devaluation do more harm than the devaluation itself because foreign investors tend to withdraw and national investors become scared.

Devaluation affects those who import raw materials, consumers, businessmen and capitalists with foreign debts, who are risking bankruptcy, as well as the government, which has a foreign debt of 800 million [currency not specified], but the government would be the only one that could be saved with the creation of new taxes.

RELIGIOUS GROUP LABELS GOVERNMENT 'ILLEGITIMATE'

PA071611 Havana International Service in Spanish 0000 GMT 7 Nov 82

[Text] The Guatemalan Evangelical Fraternity, a religious organization, has stated in a message that the Guatemalan regime is illegitimate and has been installed by powerful economic interests. The organization charges that Gen Efrain Rios Montt's government hypocritically uses political arguments in warlike language and presents them as Christian truths.

The organization also condemns the military dictatorship's militaristic plans, which are bringing grief and death to Guatemala. The Guatemalan Evangelical Fraternity's charge is included in a letter addressed secretly to the Guatemalan news media.

Meanwhile, the U.S. newspaper WASHINGTON POST has disclosed that the United States is about to approve the sale of $2 million worth of spare parts for military helicopters to the guatemalan regime.

EGP GUERRILLA DISCUSSES RECENT ACTIONS

PA080430 Havana International Service in Spanish 0000 GMT 8 Nov 82

[Station interview with (Patricia Gonzalez Xad), a "fighter" with the Poor Peoples Guerrilla Army -- date and place not given -- live or recorded]

[Text] [Question] (Patricia), we would like to hear details of the recent military actions staged by the Poor Peoples Guerrilla Army, EGP, which the Guatemalan military regime is trying to conceal. We would also like to hear about the military actions of the other Guatemalan political-military organizations.

[Answer] The military actions in Guatemala have not stopped, despite the news blackout. some very important actions have been publicized, such as the destruction of the Selegua Bridge on the Pan-American Highway in September and the downing of a helicopter in the area of Escuintla. The Armed Peoples Revolutionary Organization [ORPA] recently took responsibility for downing the helicopter.

It is important that we mention that, in September alone and on only one of the EGP guerrilla fronts, a large number of actions were staged, inflicting 132 casualties, including 83 dead and 52 wounded, on the enemy army.

[Question] There are seven EGP fronts?

[Answer] Yes, there are. However, there are other fronts belonging to the other organizations: the Rebel Armed Forces, the leadership core of the PGT [Guatemalan Labor party] and the ORPA. They also have guerrilla fronts in various regions of the country, which cover almost 90 percent of the nation's territory.

[Question] Which EGP front staged the actions that you previously mentioned?

[Answer] Those actions were carried out by the Commander Ernesto Guevara guerrilla front, which is located in Huehuetenango Department, in northwestern Guatemala near the Mexican border.

[Question] In what regions did those actions occur?

[Answer] They were carried out in the municipalities of Jacaltenango, San Antonio Huista, Santa Ana Huista, (Benenton) and Barillas in Huehuetenango; and in the northern region of Quiche, known as (?Ixcan).

[Question] There have recently been reports of the existence of concentration camps in Guatemala. Do they exist?

[Answer] Yes. In a recent interview in Costa Rica, the commander of the enemy army admitted that the army has committed many arbitrary actions in this region, that it has repressed the people and that there are concentration camps. The survivors of the massacres perpetrated within the scorched earth policy are forced to concentrate in these villages, where they are controlled simply to prevent them from having any contact with the guerrilla forces.

[Question] There has also been talk of immigration to Mexican border regions?

[Answer] Yes. The great offensive carried out in Huehuetenango Department, which borders on Chiapas, has forced a large number of peasants to take refuge there. On 2 November, it was reported that 3,000 peasants immigrated to the State of Chiapas. Very high figures have been reported. It has been reported that there are 40,000 peasant refugees in the camps on the Mexican border and that, throughout Mexico, some 250,000 to 300,000 Guatemalans have entered in the last 8 months.

[Question] There is also talk of the possibility of a self-coup, a coup d'etat in Guatemala. One of the fascist generals who was a member of the military regime was recently arrested. (Patricia), can you discuss this?

[Answer] Yes. The arrested general is Gordillo. General Gordillo was a former junta member. He was one of the three junta members who overthrew General Lucas on 23 March and installed President Rios Montt in power. Nevertheless, we can see that there is a great crisis in the army, because shortly afterward, in early June, Rios Montt proclaimed himself president and removed the two other junta members. This demonstrates that the crisis was certainly not resolved. On the contrary, it has grown worse. Rios Montt has been unsuccessful in his efforts to solve the internal problems in the ruling classes and the army. The fact that the coup d'etat has been thwarted at this time does not mean that the crisis has been solved. Great contradictions still exist. They demonstrate that there is great weakness in the regime. This necessarily renders the situation favorable for the people and we will seize power sooner than they think.

HONDURAS

PRISONER ACCUSES DNI OF 'SAVAGE' TORTURE

PA052142 Tegucigalpa LA TRIBUNA in Spanish 4 Nov 82 p 2

[Text] Luis Alonso Perez Lopez, one of the four people the National Investigations Directorate (DNI) recently accused of being members of the Revolutionary Armed Movement (MAR) and of perpetrating several bank robberies, murders and kidnappings, said yesterday that "We were even hung by our testicles and forced to confess to crimes we did not commit. My wife was savagely tortured, to the point that she jumped from the terrace where we were being held captive."

The DNI yesterday morning took Perez Lopez, Francisco Paz Hernandez and Jorge Alberto Soler Castro to make their second round of statements before the criminal court.

DNI Denial

PA062229 Tegucigalpa LA TRIBUNA in Spanish 5 Nov 82 p 3

[Excerpts] "Those four people are suicidal. Ana Margarita jumped from the fourth floor of the National Investigations Directorate (DNI) building in an attempt to commit suicide, though she did not kill herself because she apparently landed on her feet," Capt Luis Alonso Moran Morel, DNA chief in San Pedro Sula, said yesterday. He was referring to the alleged subversives who are imprisoned in San Pedro Sula.

After saying that "everything that the terrorists have said is nothing but lies," Moran Morel said that one of them also tried to kill himself with the shards of a soft drink bottle in the cell where he was being held.

"These people merit respect. They are dangerous and suicidal. We have had to give them their food in plastic containers, so that they would not be able to use regular utensils in an effort to kill themselves. Jorge Alberto Soler Castro tried to cut his veins in a suicide attempt," Moran Morel said.

The San Pedro Sula DNA chief indicated that the charges of torture, "are completely false. The fact is that these bandits are willing to say anything to establish their innocence, when they are actually guilty."

He said that "Ana Margarita Martinez Garay, Luis Alonso Perez Lopez' woman, was placed in a special room for women on the fourth floor of the building, but once inside she placed a garbage can on the toilet, climbed to a window and jumped."

"You may ask that woman if we threw her. That is just pure nonsense. Moreover, if we wanted to eliminate someone, we would not do it by throwing him from our building. That is just crazy," Moran Morel said.

OFFICIAL SEES 'DEFECT' IN U.S. SUGAR POLICY

PA060332 Tegucigalpa EL HERALDO in Spanish 3 Nov 82 p 5

[Excerpts] The International Sugar Organization, ISO, has increased Honduras' sugar export quota to 103,000 tons. This will enable Honduras to export all the sugar it had planned to for this year.

If Honduras' request had been denied by the ISO, it would have been forced to come under what is called Annex 1. Under this annex, Honduras would have been forced to maintain about 20 percent of its total sugar production in reserve. This would have been about 40,000 tons. This reserve would have had to have been financed by the sugar producers, with all the economic drawbacks that would have entailed.

Roberto Alvarado, general director of foreign trade, said that the quota authorized by the United States for its market has placed us at a disadvantage, particularly as compared with neighboring countries. "For example, Nicaragua was assigned a quota equivalent to 2.1 percent [of the U.S. imports]. This shows a defect in U.S. policy regarding its neighbors and friendly countries."

Honduras has been assigned only 1 percent of the total U.S. sugar imports. This represents 28,000 tons a year.

TIEMPO VIEWS POSSIBLE CHANGES IN ARMED FORCES

PA052210 San Pedro Sula TIEMPO in Spanish 4 Nov 82 p 3

[Text] It is rumored that the armed forces will be regrouped into three brigades.

According to unofficial sources, a complete reorganization of the armed forces command will take place in December.

According to the information, the different units within the armed forces will be regrouped into three brigades. Within the army this implies substantial changes to the Armed Forces' Superior Council.

At this moment it is not known who the commanders of the brigades will be, but Col Roberto Martinez Avila, Col Danilo Ferrera Suazo and Col Marco Antonio Rosales Abella are the names that have been mentioned as the possible commanders.

During the first phase of the armed forces government, when Gen Osario Lopez Arellano was chief of state and commander in chief of the armed forces, the army was divided into brigades, but this did not last very long. However, the growth and professionalism of the military has continued, and today the high command apparently has agreed on this type of reorganization.

Among the changes mentioned -- this has not been confirmed -- are the possible appointments of Col Oscar Mejia Peralta as chief of the armed forces general staff and Col Rodolfo Bonilla Blanco as director of the officers school.

Lt Col Ronnie Martinez and Lt Col Leonel Riera Lunati are mentioned among the names for new battalion commanders.

Likewise, the creation of a military academy is planned. This would be a secondary school that would function in San Pedro Sula with Lt Col Francisco Ruiz, ret, as director, assisted by a group of officers. This school would operate as a private institute but financed by the Military Welfare Institute. Courses taught at the school would include the basic subjects as well as military training.

NICARAGUA

FOREIGN MINISTRY PROTESTS ATTACKS FROM HONDURAS

PA090349 Managua Domestic Service in Spanish 0300 GMT 9 Nov 82

[Protest note issued by the Foreign Ministry in Managua on 8 November -- read by announcer]

[Text] Two armed attacks occurred today against Nicaraguan territory with the support of members of the Honduran Army. At 1645, two Honduran Navy patrol boats and another one flying a Salvadoran flag entered Nicaraguan waters and attacked a Sandinist navy Coast Guard vessel. The incident occurred 3 km off our coast in the sector known as El Papayal on the Gulf of Fonseca. The enemy fire ended at 1735, according to the Defense Ministry report on the incident.

Meanwhile, a counterrevolutionary unit comprised of 70 militarymen entered the national territory at 0540 at the Las Torres Valley, 4 km North of Somotillo. The counterrevolutionaries, who were armed with Fal and M-16 rifles as well as RPG-2 rocket launchers, attacked the Sandinist Peoples Army [EPS] border post in Loma Suspiro, 3 km from Somotillo, Chinandega Department. As a result of this criminal attack, Orlando Fuentes Varela and Jorge Paladino, two EPS members, were wounded. After the attack was repelled, the counterrevolutionary unit withdrew to Honduras under cover from the Honduran Army, which fired 81-mm mortars along the border.

The Nicaraguan Government denounces through the Foreign Ministry that these actions are indicative of an imminent invasion of Nicaragua by counterrevolutionary forces that have material and logistical support from powerful sectors of the Honduran Army and the Reagan administration.

Protest Note No 51 hereby issues a call for dialogue and prudence to prevent the current situation from reaching an unforeseeable extreme for both countries.

Managua, 8 November 1982

PARTY LEADERS ON 'IMMINENT U.S. INTERVENTION'

PA070430 Managua EL NUEVO DIARIO in Spanish 3 Nov 82 p 12

[Text] Managua, (ANN) -- Yesterday the political parties that comprise the Patriotic Front of the Revolution (FPR) expressed their vigorous condemnation of the Reagan administration's plans to destabilize the Nicaraguan Government, which were recently disclosed by the U.S. magazine NEWSWEEK.

Rodolfo Robelo, vice president of the Independent Liberal Party (PLI), said that U.S. administrations have always tried to mount conspiratorial plans against progressive governments but that Reagan's systematic plans to destroy the revolution surpass those of previous administrations.

"I am sure of one thing: We must strengthen the country's defense," the PLI leader said, adding that "Reagan has shown that he does not care about international public opinion, as demonstrated by his support for Israel and Great Britain in the recent armed conflicts."

Domingo Sanchez

Domingo Sanchez, leader of the Nicaraguan Socialist Party (PSN), indicated that "we are not surprised by the U.S. plans of aggression. However, we are surprised that the U.S. media have denounced these plans, thus confirming the charges that the revolutionary government authorities have repeatedly made in this regard."

"We are not going to permit a repetition in Nicaragua of what Franco did in Spain; we must be ready for any attack and we must defend the fatherland, because it is in danger," Sanchez stressed.

A spokesman for the People's Social Christian Party (PPSC), which recently held its second congress, referred to the resolutions issued by his party and said that "we condemn any plan of aggression against Nicaragua."

"The Sandinist Government has shown that it maintains political pluralism and that it is a representative example of democracy in Central America. There is no place for the State Department's plans in this revolution." "The country's defense is essential," he added.

Democratic Conservative Party [PCD] Opposes all Kinds of Violence

Managua, (ANN) -- Jose Castillo Osejo, coordinator of the opposition PCD, said yesterday that his organization is "eminently in favor of peace and opposes all kinds of violence, whatever its origin." Castillo Osejo was referring to the imminent U.S. intervention in Nicaragua that was disclosed by NEWSWEEK.

Commenting on the publication, which discloses the CIA's covert actions to destabilize Nicaragua, Castillo Osejo called for the solution of the nation's problems through peaceful methods and expressed opposition to armed attempts from abroad, because "a war would only make the crisis worse and all sectors would emerge as losers."

Rafael Cordova Rivas, a PCD leader, is a member of the Junta of the National Reconstruction Government; the PCD's political position, however, is one of opposition, falling in the rightist sector of the Nicaraguan political spectrum.

Rafael Cordova Rivas said that the best way to prevent foreign interference in Nicaragua's domestic affairs is through "the unity of all of the various sectors, so that the people will benefit."

Workers Denounce Invasion

Managua, (ANN) -- Nicaraguan labor leaders called yesterday for the international solidarity of labor organizations and political parties in facing the U.S. Government's aggressive campaign against Nicaragua.

In an extensive report, the U.S. weekly NEWSWEEK disclosed the destabilization plan against Nicaragua and indicated that U.S. Ambassador to Honduras John Negroponte is the primary director of the conspiracy against the Sandinist revolution.

Antonio Jarquin, secretary general of the Social Christian Federation of Nicaraguan Workers (CTN), said that the use of force in Central American affairs can in no way solve the regional crisis and that, on the contrary, an invasion of Nicaragua would be "a return to the past of Somozist exploitation, crime and corruption."

Aggression Against the People

The CTN leader said that the plans for aggression against the Sandinist revolution are an attack not only on the FSLN but on the Nicaraguan working people as well. They are also intended to crush the liberation movements in Honduras and throughout Central America.

The CTN demands that regional and international labor organizations and the socialist, social christian and liberal internationals support Nicaragua and denounce the counter-revolutionary plot against the Sandinist government.

Allan Chavarria, leader of the Sandinist Workers Federation (CST), said that the NEWSWEEK report disclosing the U.S. plans against Nicaragua confirms the repeated denunciations made by the Nicaraguan Government in congresses, news conferences and various international organizations.

The Sandinist labor leader urged all Latin American workers to denounce these preparations by Ronald Reagan's government, which is determined to invade Nicaragua regardless of the political costs. "We demand the solidarity of the people in facing this grave situation that the revolution is experiencing," he added.

PLANNING MINISTER READS FSLN REPORT 7 NOV

PA081811 Managua Radio Sandino Network in Spanish 1200 GMT 8 Nov 82

[Report on FSLN statement read 7 November in Matagalpa by Planning Minister Henry Ruiz, on the occasion of the sixth anniversary of the death of FSLN founder Carlos Fonseca]

[Text] Report from the FSLN to Commander in Chief Carlos Fonseca: Your orders have been fulfilled and we will not retreat in the face of U.S. imperialism. Yesterday in Matagalpa, Commander of the Revolution Henry Ruiz, the Nicaraguan planning minister, read a report from the FSLN National Directorate to Carlos Fonseca, commander in chief of the Sandinist people's revolution. The report dealt with the fulfillment of Commander Fonseca's ideas and with Nicaraguan advances in the fields of health, education, transportation and nutrition, among others, in the last few years.

We have denounced and continue denouncing Yankee imperialism's aggressive plans against our people and their revolution, Commander Ruiz said. He added: We have fought and continue fighting to achieve peace in Nicaragua.

At the ceremony, which was attended by several members of the FSLN National Directorate, the government junta, the Sandinist assembly, the revolutionary cabinet and the diplomatic corps, as well as by a number of special guests and some 10,000 people, Commander Ruiz read the bulletin addressed to Carlos Fonseca. Here is commander Ruiz:

[Begin recording] We have fought and will continue fighting the adventurism that intoxicates certain area leaders. Toying with our country's peace is tantamount to toying with war in the area. We remain calm and follow your teachings concerning provocations. However, invincible Captain, alongside your heroic people we are ready to defend, to the last drop of blood if necessary, the dignity and the rights we have won. [applause]

We are not alone. Entire peoples and friendly countries view our achievements and our difficulties with affection, solidarity and admiration. However, the sympathy elicited by our revolution's example evokes unlimited visceral hatred in the current U.S. administration. Reagan and his acolytes are doing everything possible to pressure both large and small governments in an effort to obtain the international political approval for a crimal attack on our people. Reagan and his foolish administration are buying off politicians and even generals, who would do better if they devoted their efforts to helping their people. However, they are paranoid about our revolution and our people.

Commander Carlos, the counterrevolution is advancing, just as we had predicted. In the course of the struggle, we learned that contemporary revolutions are either real revolutions or caricatures of revolutions. This revolution, your revolution, your people's revolution, is a real revolution. Its popular, democratic and anti-imperialistic nature confirms this. The counterrevolution advances to the extent that the revolution expands. The popular masses' awareness of a better destiny and a safe future brings a chill to the spines of the local and regional oligarchies. Displaced from power, our country's old exploitative classes are regrouping abroad and, using CIA resources and other aids, they are organizing forces to attack us. They are preparing large-scale attacks along the border, they are infiltrating troops into our territory, attacking technicians and popular leaders; they are planning attacks against the revolutionary leaders. They are planning to sabotage the harvests and the machinery and equipment that our people use to produce, and they are training commands to blow up electrical plants. In short, Commander, they are organizing terror against our people. [end recording]

Minister Ruiz added that all these efforts are in vain, however, since our people have been trained to fight by the EPS [Sandinist People's Army], the Interior Ministry and its intelligence and counterintelligence departments, the militias and their reserve infantry battalions, the CDS [Sandinist Defense Committee], the 19 July Sandinist youth movement, the AMNLAE [Luisa Amanda Espinoza Nicaraguan Women's Association], the [name indistinct] and other organizations. In short, the people are armed.

Commander Ruiz stressed that Fonseca's teachings are the guidelines for both the FMLN and the Nicaraguan people. He underscored that with all our might we want a new homeland containing neither exploiters nor exploited:

[Begin recording] Imperialism and its henchmen claim that we have betrayed the principles of the revolution. What do they know about revolutions?

The turncoats and traitors protest and get upset because your Sandinist Front's anthem says that the Yankee is the enemy of humankind. Carlos, our brother, we learned from you and from the peoples' struggle that imperialism is the higher expression of monopolistic capitalism. From the teachings of our own history, the history of Sandino and of our people, we have learned that the Yankee is the oppressing symbol of the slave trader, of the exploitative adventurer, of the (?unbeaten) subjugator of peoples. [applause]

We also learned that peoples make history and that men like you, Carlos, stand out, stand proud in eternity because they manage to understand and lead their people toward a better destiny.

Loyal to your teachings, Commander, we Sandinist militants are always fighting, always aware that the people's victory against the dictatorship would have to result in a radical social change, aware that the victory against Somoza and the oligarchy had to involve our people's definitive course toward a system without exploiters or exploited. [end recording]

Further Remarks

PA080044 Paris AFP in Spanish 2238 GMT 7 Nov 82

[Text] Matagalpa, Nicaragua, 7 Nov (AFP) -- The "threats of invasion leveled against Nicaragua are being maintained by those who wish to prolong an exploitative system here," Nicaraguan Planning Minister Henry Ruiz charged here during ceremonies commemorating the death of Sandinist revolutionary leader Carlos Fonseca.

"We do not want war. What we want, with all of our might, is a new fatherland containing neither exploited nor exploiters," Ruiz said in this city, the birthplace of the founder of the FSLN, who was killed 6 years ago fighting dictator Anastasio Somoza's guardsmen.

The next [illegible] years, he indicated, will be very difficult for Nicaragua. We will have to defend not only our revolution, which is threatened by an invasion, but our bankrupt economy as well.

"Nicaragua must limit its imports," he added, "to those products that are strictly necessary for subsistence; it cannot buy dog shampoo while our children starve and are infested with lice and fleas."

Nevertheless, he recognized that in the last few years Nicaragua, "has taken large strides in the areas of education, health, nutrition and transportation."

Speaking before some 20,000 persons who participated in the ceremony honoring Fonseca in Matagalpa, 130 km north of Managua, Ruiz declared that "we are also threatened by the specter of unemployment, because our scant foreign exchange does not allow us to import raw materials for some areas of production."

"The payment of our foreign debt," he explained, "takes more than 90 percent of what is brought in by our exports."

In addition to all of these calamities, "the threat of invasion is being maintained by those who hate us because we profess philosophies that are diametrically opposed to theirs, because the revolution favors a socioeconomic system that bans the exploitation of man by man and advocates life in peace."

"The revolution's enemies want to continue the system of exploitation in our country," the minister said.

Ruiz, who delivered his speech as a war report addressed to Carlos Fonseca, also appealed to the entire world, "especially Central America," to understand that "Nicaragua wants peace and that it will struggle to tie the hands of the adventurers who are playing with the destiny of the world, wherever they may be."

"We do not want war. What we want, with all our might, is a new fatherland containing neither exploited nor exploiters," he concluded.

PANAMANIAN PRESIDENT STOPS OVER FOR TALKS

PA081643 Panama City ACAN in Spanish 1626 GMT 8 Nov 82

[Text] Managua, 8 Nov (ACAN-EFE) -- Panamanian President Ricardo de la Espriella, who left today for Mexico, stopped over in Managua this morning to meet with Commander Daniel Ortega Saavedra, coordinator of the Nicaraguan Government junta.

Commander Bayardo Arce, coordinator of the Sandinist front's political commission, and Nicaraguan Foreign Minister Miguel D'Escoto are also participating in the meeting. The agenda of the meeting has not yet been disclosed.

De la Espriella's party includes Panamanian Foreign Minister Juan Jose Amado III and Col Manuel Antonio Noriega, deputy chief of the general staff and chief of the Panamanian National Guard's intelligence service.

A report from the government on the results of this meeting between the Panamanian president and the Nicaraguan authorities, which had not been previously announced, is expected in the next few hours.

Meets With Officials

PA090046 Panama City Televisora Nacional in Spanish 2300 GMT 8 Nov 82

[Excerpt] Panamanian President Ricardo de la Espriella said today in Managua, Nicaragua, that Panama condemns any kind of aggression against Nicaragua.

De la Espriella made the statement following an 80-minute meeting with high-ranking Sandinist officials. The Panamanian president, who left for Mexico today, made a stopover in Managua to meet with Daniel Ortega, coordinator of the Nicaraguan Government junta, at Sandino Airport.

In Managua, President de la Espriella said the solutions to Central American conflicts should be political and negotiated; as a result, Panama does not support any kind of aggression.

De la Espriella expressed total support for the Mexican-Venezuelan peace proposal for Central America. He emphasized that the mission that is taking him to Mexico involves, among other things, an attempt to find out how he can personally support the peace initiative developed by Mexican President Jose Lopez Portillo.

The Panamanian president said he talked with Ortega Saavedra about Central American problems and that they exchanged ideas on the positions held by Panama and Nicaragua.

The Panamanian head of state reaffirmed his belief in the principle of the self-determination of peoples. He said that people should have the kind of government that they want and deserve.

Ortega Saavedra said he talked with the Panamanian Government officials about the region's difficult problems and about the efforts that are being made to find solutions to those problems.

De la Espriella's brief visit to Managua was described by Ortega as a peace effort similar to those undertaken by other governments, such as Mexico and Venezuela, in which Panama has participated actively and consistently.

Nicaragua was represented at the meeting, which was not previously announced, by Miguel D'Escoto, minister of foreign relations; Commander Bayardo Arce, coordinator of the FSLN Political Committee; and Commander Lenin Cerna, chief of security services.

Departs for Mexico

PA081928 Paris AFP in Spanish 1858 GMT 8 Nov 82

[Text] Managua, 8 Nov (AFP) -- Panamanian President Ricardo de la Espriella said that his government "supports the policy of nonintervention in Nicaragua and also supports the peace plan for Central America proposed by Mexico and Venezuela."

During a stopover on his way to Mexico, De la Espriella had a 30-minute meeting today with Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, and with Bayardo Arce, coordinator of the FSLN Political Committee. They discussed matters regarding the area situation.

De la Espriella added that "Panama has always supported nonintervention in Nicaragua and supports the Sandinist government's reconstruction policy."

De la Espriella left for Mexico at 1030 local time.

ICFTU DELEGATION VISITS, MEETS LABOR MINISTER

PA072306 Managua EL NUEVO DIARIO in Spanish 3 Nov 82 pp 1,12

[Text] The high-level ICFTU delegation led by Tulio Cuevas that is currently visiting our country met yesterday morning with Labor Minister Dr Virgilio Godoy to discuss various aspects of the nation's labor developments; as well as Nicaragua's agreements with the ILO.

After cordially greeting the ICFTU delegation, the labor minister gave a detailed explanation of the Nicaraguan unions' situation and the measures that the revolutionary government has taken to guarantee and preserve the employment of thousands of workers in the face of constant threats against and attacks on the Nicaraguan people. This is why the unions can't develop normally here, as they would in Europe and Canada.

In response to an insolent warning from Enzo Frisco, director of the ICFTU's Latin American department, who threatened to lodge a formal complaint at the ILO if Nicaragua does not fulfill some of the organizations's agreements, the minister stressed very clearly that fulfillment of an agreement is not simply a matter of the government's desire to do so, but it is also subject to the real chances of implementing the agreement.

One must not forget, Dr Godoy added, that our situation is not like those of the developed countries, where problems posed by collective negotiations are resolved by seeking better economic conditions.

Here it is a matter of survival, which does not necessarily adjust to the letter and spirit of an agreement. However, he added, if we achieve the country's stability and the threats disappear, our resources would be used to foster development and the solution to existing problems would be closer at hand.

Answering another question by Mr Friso on the suspension of the right to strike, Dr Godoy said that, to be sure, this right is not accepted at present due to the country's current policy on defense of the economy. He stressed, however, that it has been replaced by an arbitration tribunal, which is in charge of resolving all labor conflicts.

Commenting later on the issue of collective negotiation in our country, the minister said very clearly that in the 3 years since the victory of the revolution, agreements reached have increased fourfold, as compared with the last years of the dictatorships. Prior to the revolutionary victory, 186 such agreements were in effect. These have since increased to 700.

Continuing his inquisitive remarks, Mr Friso repeatedly stressed his belief in unity among unions and insisted on respect for the ILO agreements. The labor minister answered that the revolutionary government wants to fulfill these agreements. It also wants to let the workers make their own decisions on the achievement of unity among their unions. This unity, the minister stressed, should be the result of an understanding among the workers themselves.

The minister added that no one in Nicaragua is forced to participate in a formal and obligatory unity. The unions' pluralism, he explained, has been maintained and will continue to be maintained in future. The existence of several labor unions that adhere to different ideological tendencies demostrates this.

The minister also discussed our country's currently difficult situation, characterized by threats and agrression, with ORBIT (inter-American regional organization of workers of the ICFTU] and ICFTU delegations. According to the minister, this makes it necessary to use our scarce resources for defensive purposes instead of applying them to the solution of our problems.

Dr Goody also told the visitors that certain unions, such as the CUS (Confederation for Unity of Trade Unions] which was represented at the meeting by Jose Espinoza, its leader, lodge complaints with international organizations before approaching the local authorities. In many cases, this has prevented the Labor Ministry from learning about their problems and demands.

Reason for Visit

In an interview granted to EL NUEVO DIARIO, Tulio Cuevas, an ICFTU member, said the ICFTU delegation is in Nicaragua to learn firsthand about the workers' situation and to strengthen relations with its affiliate, the CUS.

Asked to comment on the withdrawal of the Standard Fruit Company from Nicaragua, Cuevas said he is an enemy of transnational companies because they seek only to exploit and thus work against national stability. They are octopuses, he stressed that should follow a code of conduct. Their opprobrious attitudes merit our condemnation. On this issue, we think that the withdrawal of that transnational company violates the worker's most fundamental rights.

He also condemned the threats of aggression hovering over Nicaragua, adding that such an "attack does not and will not have the support of the world's democratic peoples." A country's citizens must decide their own destiny, Tulio Cuevas said. Cuevas is secretary general of the Union of Workers of Colombia and a member of the ORIT and the ICFTU. According to unofficial sources, he is also a senator in his country.

PSC CONDEMNS ALLEGED U.S. ACTIONS IN REGION

PA051948 Panama City ACAN in Spanish 2206 GMT 4 Nov 82

[Text] Managua, 4 Nov (ACAN-EFE) -- The opposition Social Christian Party (PSC) of Nicaragua today condemned the military actions that "the big powers are openly or covertly promoting in Central America to safeguard their selfish interests."

The condemnation is contained in a PSC statement which commented on articles by the U.S. magazine NEWSWEEK and the U.S. newspaper THE NEW YORK TIMES regarding covert operations by the U.S. Government against Nicaragua.

According to the opposition party, the previously mentioned articles "increase the concern of the Nicaraguans, who after years of tension, wars, earthquakes and emergencies, want regional and internal peace to live in a democratic system of social justice where we can all work as brothers."

The PSC also refers to the statement made Wednesday by Commanders Lenin Cerna and Julio Ramos, officials in charge of state security and military intelligence, regarding the charges of aggression.

The PSC statement, signed by Agustin Jarquin, secretary general of the party, states that in view of the prevailing situation in Nicaragua "all Nicaraguans should be motivated to build national unity."

RAMIREZ ADDRESSES NATIONAL BANK WORKERS

PA061729 Managua Domestic Service in Spanish 0300 GMT 6 Nov 82

[Excerpt of Sergio Ramirez Mercado's address in closing the second efficiency and austerity assembly of the workers of the Managua National Development Bank agencies, on 5 November -- recorded]

[Text] In addition to the economic effects, we are also suffering from something worse: the hostility of U.S. imperialism. This is also an economic factor, because while we are trying to increase our production and see the first results of the people's efforts to save, we must contend with the genocidal Somozist guardsmen on the other side of the Honduran border. Now the unbelievers should realize that these are not just stories; that the U.S. media itself have confirmed the presence of thousands of Somozist guardsmen there. In the reports submitted by Commander Lenin Cerna and Commander Julio Ramos, you learned that these are the same men who killed our people from various points, like Waslala and Rio Blanco, the same criminals of the EEBI [Basic Infantry Training School], the same criminal guardsmen of the tyrant. They are all there kidnapping and beheading peasants, murdering unarmed citizens with the most sophisticated weapons provided by the imperialists i order to harass our borders, to set up beachheads there and, as one of those criminals declared, strew the road from the northern border to Managua with bodies. Such are their intentions.

All this concerns the nation's economy and the work done in this bank and the stability of its officials and employees.

Now that the Reagan administration finds itself swamped with the huge amount of evidence of its complicity and guilt for arming these criminals and encouraging them to carry out their designs to destabilize us, not only from what the U.S. press reports but also from what we have produced as evidence, now that the news conference of Commanders Ramos and Cerna has gained so much significance after having exhibited just a small amount of evidence of the complicity of an important sector of the Honduran Armed forces and Government and of the U.S. Government in this conspiracy against the Sandinist revolution; now, the U.S. Government claims, as an excuse, that they are doing all this not to overthrow us, but just to destabilize us, as if all this were just or legal, or as if we were asking for an explanation for the intensity of such actions or for their purpose. What right has the U.S. Government to use Honduran territory and its government to smuggle murderers into our territory to massacre our peasants? None of this has any justification whatsoever.

'LINE OF CONTAINMENT' OF INDIAN AREAS CHARGED

PA080306 (Clandestine) Voice of Sandino in Spanish to Nicaragua 0000 GMT 8 Nov 82

[Text] We have received reports from the Atlantic Coast that indicate that troops killed a 14-year-old boy simply because he shouted "Viva Misurasata" [Miskito, Sumo, Rama, Sandinist Unity] in front of them.

The boy was identified as (Felix Peralta), from the Indian community of Sapuza. We were also informed that some 50 Indians were arrested after this incident and that no one knows what has become of them. Apparently, when a Miskito, Sumo or Rama tries to ask the authorities about his relatives in jail, he is immediately arrested and thrown in jail as well. This was the case with a top Indian authority, the president of the Council of Elders, who was arrested when he tried to discover the whereabouts of a relative. The same thing happened to two other Indians, who have not been seen since the day they were arrested.

We have also learned that the treasonous collective, in its effort to subdue the Indian population on the Atlantic Coast and to impose its political and ideological doctrine on the communities of that region, has proceeded to establish a containment line alone the Coco River, which cuts off the Indian communities' communications. The only alternative left to the Indian communities is to flee the country or to return to the concentration camps in Tasbapri.

The promise that Tomas Borge made to Indian leader Brooklyn Rivera -- to the effect that all Miskitos, Sumos and Ramas would be exterminated unless they submitted -- seems to be a promise that the treasonous collective plans to keep.

The murder of the boy (Peralta), the arrest of 50 persons on 24 October, the disappearance of two persons on 22 August and the containment line along the Coco River are just a few examples of the tragedy through which our brothers on the Atlantic coast are living.

In the meantime, the army that has been charged with defending our sovereignty is on its way and its arm of justice will restore the tranquillity that the treasonous collective has taken from the people.

PRAVDA PUBLICATION OF CASTRO MESSAGE NOTED

PA091312 Havana International Service in Spanish 0000 GMT 9 Nov 82

[Text] PRAVDA today published the message sent to the Soviet people by Cuban leader Fidel Castro on the occasion of the 65th anniversary of the October Revolution and the 60th anniversary of the founding of the USSR.

In his message, the Cuban president noted that during that period, the USSR has written a glorious history that has confirmed the unquestionable strength of socialism. The USSR, the message added, rises today as the firm bastion in the struggle for peace, the peaceful coexistence among states of different social regimes, and for the solidarity with the peoples in their efforts to attain national liberation and social progress.

The Cuban revolutionary leader charged that the most imperialist circles, headed by the current U.S. Government, promote military confrontation and the irresponsible escalation of the arms race, projecting a somber threat over the people's rights to life, welfare, freedom and peace.

The Cubans are entering the 24th year of our revolution, engaged in their determination to build a better future. Throughout this time, he stressed, we have not been alone, having had at all times the solidarity of our fraternal USSR and the other peoples who love freedom.

65TH USSR GREAT OCTOBER ANNIVERSARY MARKED

FL050230 [Editorial Report] Havana Domestic Television Service in Spanish at 0133 GMT On 5 November carries live relay from Havana's Karl Marx theater of the main commemoration of the 60th founding anniversary of the Soviet Union and the 65th of the Great October Revolution, during which Ramiro Valdes, member of Cuba's Communist Party Politburo and interior minister, and USSR Ambassador to Cuba Konstantin F. Katushev are scheduled to make speeches.

Color television coverage opens with an announcer explaining the reason for the ceremony. The camera focuses on the stage as the curtains are drawn. The Cuban and Soviet national anthems are played as the camera pans the leaders sitting at the presiding table. Among them are Vilma Espin, Ramiro Valdes, Juan Almeida, Pedro Miret, Antonio Perez Herrero, Carlos Rafael Rodriguez, USSR Ambassador Konstantin Katushev and many others.

Manolo Ortega introduces USSR Ambassador Katushev and he begins his speech at 0139 GMT in Russian with simultaneous Spanish translation. He praises the Cuban people's respect for his country and thanks them for holding this ceremony in honor of the 60th founding anniversary of the USSR and the 65th of the Great October Revolution.

Katushev then goes back in history to the beginning of the revolution in his country. He says that the revolution brought about a new type of intellectuals, men who have made the Soviet reality a success. He enumerates the many accomplishments of the Soviet revolution. However, he says, not everything is perfect, there is always room for improvement.

He refers to the world economic crisis, high level of unemployment and other problems of the capitalist world which, he says, do not exist in his country.

Katushev notes that all resolutions of the CPSU congress are being fulfilled, that the Soviet workers work with great efficiency and determination and that the socialist community follows with admiration the example set by this country's people. He stresses that in Cuba and the USSR unemployment has ceased to exist because the socialist society cares for all its people.

Katushev stresses that his country wants peace but has to remain alert in case its enemies make the mistake of attacking it. He adds that toward that goal of peace, the USSR has pledged not to be the first one to use nuclear arms, has reduced its military presence in Europe and has made proposals at the United Nations aimed at stopping all nuclear tests. He scores the arms race undertaken by the United States and its NATO allies. He blames the United States for the various areas in which conflicts are being encouraged in the Middle East, Africa and America. He urges all peace-loving countries to struggle for peace and against the arms race.

Referring to ongoing conflicts in the world, he says: "Conflictive situations and hotspots in different regions of the world such as in the Middle East, Africa, Central America and the Caribbean, precisely through the fault of the United States.

"Very recently the world was shaken by the bloody Israeli aggression in Lebanon and the genocide of the suffering Palestinian people. The Nazi Zionists have been armed, stimulated and supported in their aggression by the United States in order to defend its greedy interests in this region.

"At the meeting of high-ranking military chiefs held on 26 October 1982 in the Kremlin, Leonid Brezhnev, in evaluating the present world situation, emphasized: We live at a time that is not at all simple. The international situation obliges us to double and triple our efforts in the struggle to protect peace and to mitigate the threats of the nuclear war that hovers over humanity. In this struggle we must expand interaction with everyone who appreciates peace, and we are obliged to untiringly pursue the defense of the country and to maintain an extreme vigilance.

"The USSR, together with Cuba and other socialist countries, advocates the prompt achievement of a just, lasting and overall agreement of the Middle East problem. The Soviet Union fully shares the opinion of the progressive community of Latin America to the effect that the pockets of tension that exist in Central America and the Caribbean are due to the fault of the United States, which is determined to impose its will on the peoples of the region and to smash their desires for peace, national independence and progress.

"The Soviet Union, Leonid Brezhnev emphasized in reply to political and social personalities from Venezuela, has repeatedly declared its firm conviction that the strengthening of peace and security in Central America and the Caribbean, as in any other corner of the world, is only possible on the basis of respect for the sovereign right of every nation to determine its fate for itself and to dispose of its own natural resources without foreign interference."

In closing, Katushev hails the October Revolution, Cuba and the Soviet Union and their eternal friendship. He ends his speech at 0202 GMT.

Ramiro Valdes follows Katushev with a 30-minute speech.

Ramiro Valdes Speech

FL051420 Havana Domestic Television Service in Spanish 0203 GMT 5 Nov 82

[Speech by Cuban Interior Minister Ramiro Valdes at the main commemoration of the 65th anniversary of the Great October Revolution and the 60th founding anniversary of the USSR at Havana's Karl Marx theater -- live]

[Excerpts] Comrades of the presidency, comrades all. Our party and people wish to pay warm tribute to the 65th anniversary of the October Revolution and to the 60th anniversary of the establishment of the Soviet Union.

The fundamental bases of our relations with the USSR permit us to continue advancing modestly but firmly. We have not been obliged to give up our most important plans. We continue to work for the welfare and happiness of the people.

We have preserved the most important aspects of their living standard and we are facing our difficulties with calmness, optimism and the firm determination to solve them and to emerge stronger and less dependent on our relations with the capitalist market, which have always been unstable.

However, our problems, like those of other socialist and revolutionary peoples, do not depend only on the bankruptcy of the unjust, anachronic and exploitative capitalistic system. One of the principal sources of our difficulties is the aggressive and reactionary policy of U.S. imperialism. Its present rulers are tightening the blockade to its extreme and determinedly harassing all our commercial and financial operations in the areas where they have any influence.

The Yankee rulers are, with little common sense and immorally, determined to unleash against Cuba a psychological war by using the air waves. They are determined to cause us as much damage as possible with the assumption that a worsening of our internal situation will help them to revive the remnants of the counterrevolution and some antisocial elements on whom they can still depend, inside our country, without discarding the possibility of resorting to armed aggression against our country.

Logically, under these circumstances, the defense of the revolution and socialism becomes more important. With Soviet aid, our armed forces and Interior Ministry are prepared, outfitted and ready to efficiently fulfill this sacred duty. [applause]

We have not neglected our defense and will never neglect it. The necessary arms are in the firm and sure hands of our people to make any aggressor pay dearly for any adventure. Once more we state that these arms are here to defend our territory and our sovereignty, that they do not threaten any other state and that our greatest hope is that we will not be obliged to use them. We support peace and a lowering of tensions. We support just political solutions of conflicts. It is the enemy who obliges us to take measures to protect our people and revolution. However, let no one doubt that we will make very good use of them [the arms] if the need should arise.

These are Cuba's problems. However, Cuba's problems are only a reflection of the problems disturbing the world today. The international situation has deteriorated to an extreme degree. Headed by the most backward sectors of Yankee imperialism, the world's reaction is promoting a language of war and accelerated preparations for confrontation. Detente, the spirit of negotiation and sensible language have been discarded.

In all areas of conflict, the most bellicose and criminal forces have been encouraged by the course of the present U.S. administration. The consequences have been felt in the Zionist massacre in Lebanon, uncontrolled violence of the South African racists and the unlimited genocide of the fascists in El Salvador, Guatemala and Honduras, who are trying to drown the just rebellion of Central America in blood.

Our enemies are still powerful and their threats cannot be ignored. However, we believe that we can and must face this situation calmly and with determination. Our party and our people in particular are convinced that the path to peace is one of active, vigorous and courageous struggle. It is a path that includes the mobilization of all solidary and popular fighting forces. Let the imperialist enemy know, above all, that we are not afraid and will not shirk any of our duties and do not and will never subject ourselves to the vulgar language of blackmail and terror. [applause]

USSR Embassy Reception

FL081358 Havana Domestic Service in Spanish 1145 GMT 8 Nov 82

[Text] Commander in Chief Fidel Castro, first secretary of the party's Central Committee and president of the Councils of State and Ministers, attended a reception last night held on occasion of the 65h anniversary of the Great October Socialist Revolution at the USSR Embassy in Cuba. Army Gen Raul Castro, second secretary of the party and first vice president of the Councils of State and Ministers, and President Souphanouvong, member of Politburo of the Lao People's Revolutionary Party and president of the Lao People's Supreme Assembly, were also present.

The reception, which was also attended by other leaders of the party, the state and the government, was hosted by USSR Ambassador Konstantin Katushev.

Armed Forces Ceremony

FL061425 Havana Domestic Service in Spanish 1145 GMT 6 Nov 82

[Excerpt] The Revolutionary Armed Forces' [FAR] main ceremony to mark the 65th anniversary of the October Revolution was held yesterday at FAR's Universal Hall. Div Gen Ulises Rosales del Toro, member of the party Central Committee, first vice minister of FAR and chief of the General Staff, and Lt Gen (Dmitriy Toranskiy), Soviet military adviser, delivered speeches.

Also attending the ceremony were alternate Politburo members Div Gen Senen Casas Regueiro, first vice minister of FAR, and Div Gen Sixto Batista Santana, chief of the FAR Central Political Directorate, and Col Gen Vladimir Konchits, chief Soviet adviser to the Ministry of FAR.

SOUPHANOUVONG VISITS PIONEER PALACE, MUSEUMS

FL081912 Havana Domestic Service in Spanish 1800 GMT 8 Nov 82

[Text] Souphanouvong, member of the Politburo of the Lao People's Revolutionary Party and president of Lao People's Supreme Assembly and of the republic, today paid a visit to the Ernesto Guevara Pioneer Palace. At the entrance to the building the Laotian leader was received by a double row of children who chanted slogans of friendship between the Cuban and Laotian people.

A group of Pioneers presented kerchiefs to Souphanouvong and the members of his entourage before they toured the building, where they paid special attention to the patriotic, military and sugar industry sections.

Yesterday the Laotian president visited the Granma memorial and the historic center of Havana. The visitors arrived at the Granma memorial in the company of Julio Aguilera, member of the Communist Party of Cuba Politburo, and were received by Lt Col Nelson Martinez Amador, director of the museum. Afterwards the group visited the Havana museum, where they were received by Museum Director Eusebio Leal.

TOBACCO UNION WORKERS BEGIN FIFTH CONGRESS

FL051920 Havana Domestic Service in Spanish 1800 GMT 5 Nov 82

[Excerpts] The congress of the National Tobacco Workers Union [SNTIT], which will end tomorrow, Saturday, began this morning at the Central Organization of Trade Union's [CTC] Lazaro Pena theater this morning. From there, our reporter Bienvenido Rojas, reported on this morning's session:

[Begin recording] The tobacco workers, who play an important role in the country's economy, are reviewing their work of the last 5 years at their fifth congress which is now in progress at the Lazaro Pena theater. The event is under the direction of Politburo members Jose Ramon Machado Ventura and Jorge Risquet and Roberto Veiga, alternate Politburo member, who is also CTC secretary general.

The report was read by Pedro Castillo, secretary general of the SNTIT. The congress is being attended by 164 delegates. Pedro Castillo said that the fulfillment of the technical and economic plans of the last 5 years were affected by the blue mold and climatic problems. The plan called for 930 million pesos production for the period, of which 906 million was achieved, for a 98 percent fulfillment.

The union leader said that this situation forced the industry to decrease its plans, which resulted in a decrease in foreign currency income from exports.

He emphasized the extraordinary effort made by the tobacco workers who, in spite of having to work with obsolete machinery and a shortage of spares, managed to overcome the difficulties and are struggling to improve quality. [end recording]

Roca Concedes Crop Damage

FL081650 Havana Domestic Service in Spanish 1500 GMT 8 Nov 82

[text] Julio Camacho Aguilera, member of the Politburo and first party secretary for Havana City, and Pedro Castillo and Alejandro Roca, secretary general of the National Tobacco Workers Union [SNTIT] and minister of the food industry respectively, have presided over the third session of the 5th SNTIT congress in Havana.

In a special speech, Alejandro Roca said that although bad weather caused some damage to all crops in general throughout the year, the damage was greatest in the Pinar del Rio and Havana provinces tobacco crop. In spite of the warnings and setbacks, he added, we recognize the positive results of the timely efforts made by the workers of Pinar del Rio and Havana provinces and of the officials and technicians who made it possible to decrease the losses.

He said that with the spirit of struggle and work that has always distinguished the tobacco workers and by demanding greater quality in every leaf and product, we will fulfill the agreements reached at the second congress of the party on this subject.

The congress unanimously approved the proposed union regulations, special resolutions and presented the 39 candidates who will make up the National Committee of the SNTIT.

Congress Closes

PA072019 Havana International Service in Spanish 1800 GMT 7 Nov 82

[Text] The fifth congress of the National Tobacco Workers Union has closed here in Havana with Communist Party of Cuba Politburo members Pedro Miret, Jorge Risquet and Julio Camacho Aguilera in attendance. The congress met in this capital for 2 days and was attended by 150 delegates.

During the conclusion of the meeting, Roberto Veiga, secretary general of the Central Organization of Cuban Trade Unions, stressed the important contribution made by the workers of this sector. Veiga said that it is necessary to continue working with efficiency, quality and austerity.

The new national committee of the union was announced during the last day of sessions. The committee is headed by Pedro Castillo, who was reelected secretary general. In addition, a final resolution was issued confirming the members' commitment to perfect planting and consumption rules and to increasing production for export purposes.

GRENADA

BISHOP CALLS FOR CARICOM REGIONAL INTEGRATION

FL090230 St Georges Domestic Service in English 2300 GMT 8 Nov 82

[Excerpts] Prime Minister Maurice Bishop has restated Grenada's commitment to the regional integration movement and has called for the upcoming Caricom heads of government meeting to be guided by the spirit of integration.

Speaking last night at the rally put on by the Media Workers Association of Free Grenada at [word indistinct] in St Georges to mark the anniversary of the birth of (Diocles Albert Marishaw), Prime Minister Bishop said that since the revolution of March 13, 1979, the People's Revolutionary Government [PRG] had been guided by (Marishaw's) commitment to regional unity.

[Begin Bishop recording] We wanted nothing for ourselves that our neighbors and brothers and sisters in the neighboring islands could not enjoy also. We have always believed and still believe that all that is good for us, is also good for the entire Caribbean, although we would never force our views on any of our sister islands. But we know that we all suffer from the same underdevelopment, the same scars of colonialism, the same trade imbalance, the same exploitation by the transnational corporations that try to suck up (?brains). And so what we labor to find (?for our government) we shall also labor to find for the rest of the Caribbeans. [end recording]

He outlined other instances in which the PRG, while seeking benefits for Grenada, also sought benefits for its Caricom and, or its OECS [Organization of East Caribbean States] partners. It was in this spirit of commitment to the region that Grenada would participate in the OECS and Caricom meetings.

[Begin Bishop recording] We go to St Lucia and Jamaica in (?our spirit) to continue (Marishaw's) work to find the real answers to the massive problems facing our people. What can we do as a Caribbean people to help our farmers to sell their products? What can we do as a Caribbean people to develop much more just and equitable terms of trade with the European countries? What can we do as a Caribbean people to secure better prices for our cocoa, our bananas, our nutmegs, our arrowroots, our sugar, our crops [word indistinct]? How can we begin to control the massive imperialist cultural onslaught on our people's minds and consciences?

We shall be recommending trends over the next few (?days) to develop a regional maritime transport system, recalling the days when we had the federal (?medium) and the federal farms trying to (?trade) in our islands. We shall be recommending ways of promoting much deeper friendship and understanding between our peoples and putting forth a concrete policy of bulk-buying of certain expensive imported goods for the region so that we can collectively cut our huge import bills and meet the trends of our (?purpose) [end recording].

Prime Minister Bishop emphasized that Grenada rejected (?high) conspiracies and sectarian interests, that Grenada rejected parochialism and national [word indistinct], that Grenada was not going to be [words indistinct].

[Begin Bishop recording] That just as we do not interfere in the internal affairs of other nations, so too, we will accept no bullying, no intimidation, no interference, no bribery, no blackmail, no whitemail, from any person or any government. [prolonged applause] [end recording]

Yesterday's rally (?was) also for the launching of the Grenada Committee of Intellectual Workers, the first [word indistinct] from national cultural days, a reaffirmation of Grenada's solidarity with the Palestinian people and the observance of the 65th anniversary of the Russian revolution.

PERUVIAN EMBASSY OCCUPATION ENDS PEACEFULLY

PA082310 Buenos Aires LATIN in Spanish 1923 GMT 8 Nov 82

[Text] Santo Domingo, 8 Nov (LATIN-REUTER) -- The local police have reported that a Dominican citizen who had been in exile today briefly occupied the Peruvian Embassy in Santo Domingo along with his wife and three children, taking a woman diplomat as a hostage, and then surrendered peacefully.

Police Chief Gen Jose Felix Hermida Gonzalez, told the journalist that the man in question was Marino Perez Rojas, a 34-year old student who was not carrying any weapons.

Initially a local radio station reported that armed men had taken the wife of the Peruvian ambassador, three children and several diplomats as hostages.

His wife, a Chilean in exile identified by the chief of police as Mireya Lopez, later told the radio that her husband only intended to carry out a peaceful protest.

"He did not intend to take any hostages," she added. "He only wanted to tell the government that we are facing a difficult situation and that we need work," she added.

His hostage, Luisa Carpio de Colado, the third secretary, told REUTER on the phone while she was being held that Perez Rojas either wanted his government to find him work or Peru to grant him political asylum.

The police surrounded the building but Gen Hermida Gonzalez said that during telephone negotiations with Perez Rojas, he assured him that the police would not open fire if Perez Rojas surrendered.

The chief of police said that Perez Rojas had been exiled from the Dominican Republic during the government of Joaquin Balaguer, who was president from 1966 and 1978.

Peruvian Ambassador Raul Gutierrez Vargas later told REUTER that Secretary Carpio de Collado was alone at the embassy when the incident occurred. Only Perez Rojas was arrested.

GOVERNMENT BAILS OUT DETAINED FISHERMEN

FL061550 Santo Domingo Radio Clarin in Spanish 1000 GMT 6 Nov 82

[Text] A Dominican Navy frigate will travel to the Bahamian capital of Nassau to pick up and bring back 47 fishermen detained there. The announcement was made in Puerto Plata by (Guillermo Rivera), secretary of the interior and police [title as heard], who said that President Salvador Jorge Blanco had authorized the trip. President Jorge Blanco also authorized the government to provide $47,000 to pay the fines set by the Bahamas against the fishermen for violation of its territorial waters.

The group was intercepted and arrested at (?Silver Cay) aboard the vessel (Nito Perez), property of (Jesus Muniz). The secretary of the interior and police said that arrangements were being made through the embassy to send the money for the fines.